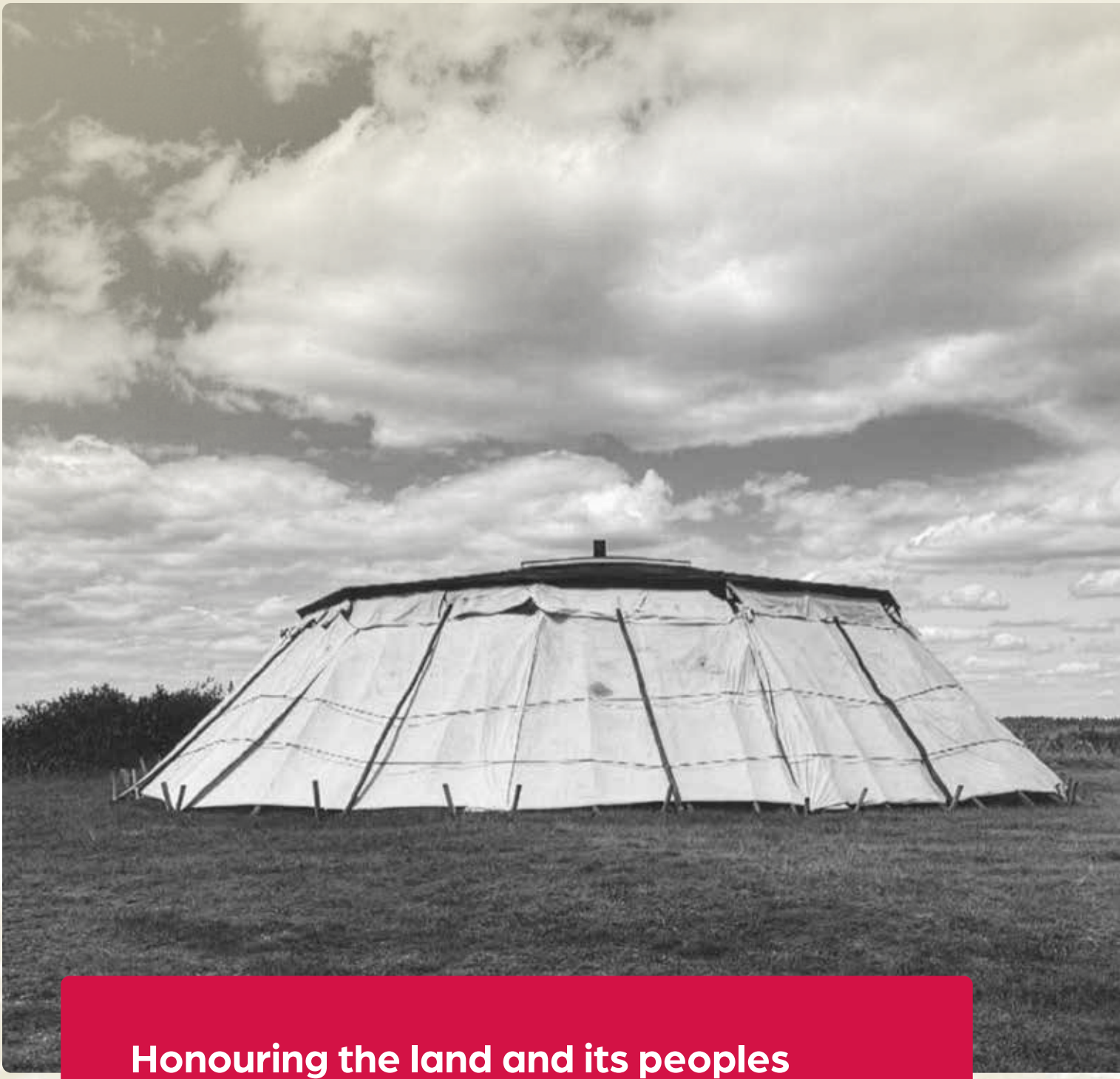
BUILT FOR THIS

Federated Co-operatives Limited

2025 ANNUAL REPORT



Honouring the land and its peoples

We acknowledge that Federated Co-operatives Limited (FCL) has locations across Western Canada, which includes numerous Treaties and unceded lands and is the historic and present-day home of dozens of Indigenous communities. FCL recognizes Indigenous peoples as the first inhabitants of these lands, and is committed to working towards reconciliation, community building, sustainable practices and economic independence for Indigenous communities.

FCL's journey toward truth and reconciliation is rooted in listening, shared learning, engaging and acting on commitment.

FCL's Indigenous Relations team attended the Poundmaker Cree Nation cultural event that highlighted language reclamation including Plains Indian Sign Language. It was an opportunity to visit the Poundmaker Museum on the reserve which holds many historical items and this image shows a semi-permanent structure at their cultural site where many events are held throughout the year.

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Membership

FCL is owned by 154 autonomous local co-operatives across Western Canada. Together, FCL and those local co-operatives form the Co-operative Retailing System (CRS). The CRS serves our members and communities with products and services that help build, feed and fuel individuals and communities from Vancouver Island to northwestern Ontario and into the North.

FCL is a second-tier co-operative, meaning that its members are other co-operatives, and its primary purpose is to serve those co-operatives.

FCL has three membership types: member retail co-operative, affiliate member and associate member. Most of our members fall within the first category and are local co-operative associations that serve the individual members of their communities by providing goods and services. An affiliate member is a co-operative that resells the goods it buys from FCL to its members but doesn't meet all criteria of a member retail co-operative. Finally, an associate member is every other organization, co-operative or otherwise, that doesn't meet all the requirements to be a member retail co-operative or affiliate member.

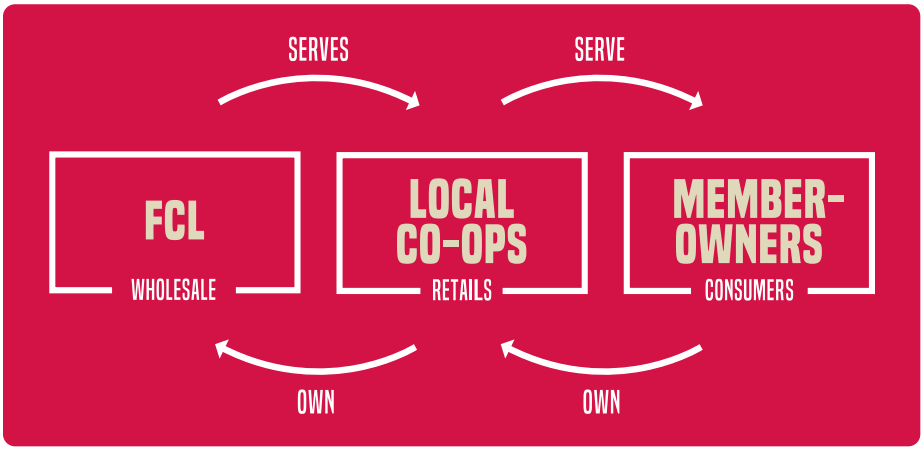
Retail and affiliate members can send between one and five delegates as representatives to FCL's Annual Meeting, determined by their annual purchase levels from FCL. Each associate member can send one delegate, regardless of purchase level.

FCL's Board of Directors consists of 15 directors elected from five districts for three-year terms. Only delegates from member retail co-operatives are eligible for nomination to FCL's Board of Directors. Director terms are staggered so that each year, one director is elected in each district. Following the director election and annual meeting, the board attends a reorganization meeting, at which time the Board of Directors elects a President/Chair of the Board and Vice-Chair.

Membership changes

Effective Oct. 31, 2025, FCL was made up of 154 member retail co-operatives, one affiliate member and five associate members. Four changes occurred during the year:

- Humboldt Co-op and Muenster Co-op amalgamated to form The Humboldt Co-operative Association Limited.
- Beeland Co-op and Carrot River Co-op amalgamated to form Riverside Co-operative Ltd.
- Vancouver Island Central Services Co-operative Association (VICSCA) dissolved.
- Prairie Feed Co-operative Ltd. dissolved.



FCL members by classification

154 Retail Co-operatives Members

1 Affiliate Member

5 Associate Members

FCL members by province

*All membership types

17 British Columbia

28 Alberta

84 Saskatchewan

30 Manitoba

1 Ontario

FCL at a Glance

Co-op in Western Canada

FCL's business is largely business-to-business (B2B). Working together, FCL and 154 independent local co-operative associations form the CRS and help to build, feed and fuel Western Canada.

650+
communities

27,500+
employees

2.2M+
members

To learn more about FCL, refer to the About Us and FCL Membership sections in this report or visit **www.fcl.crs**

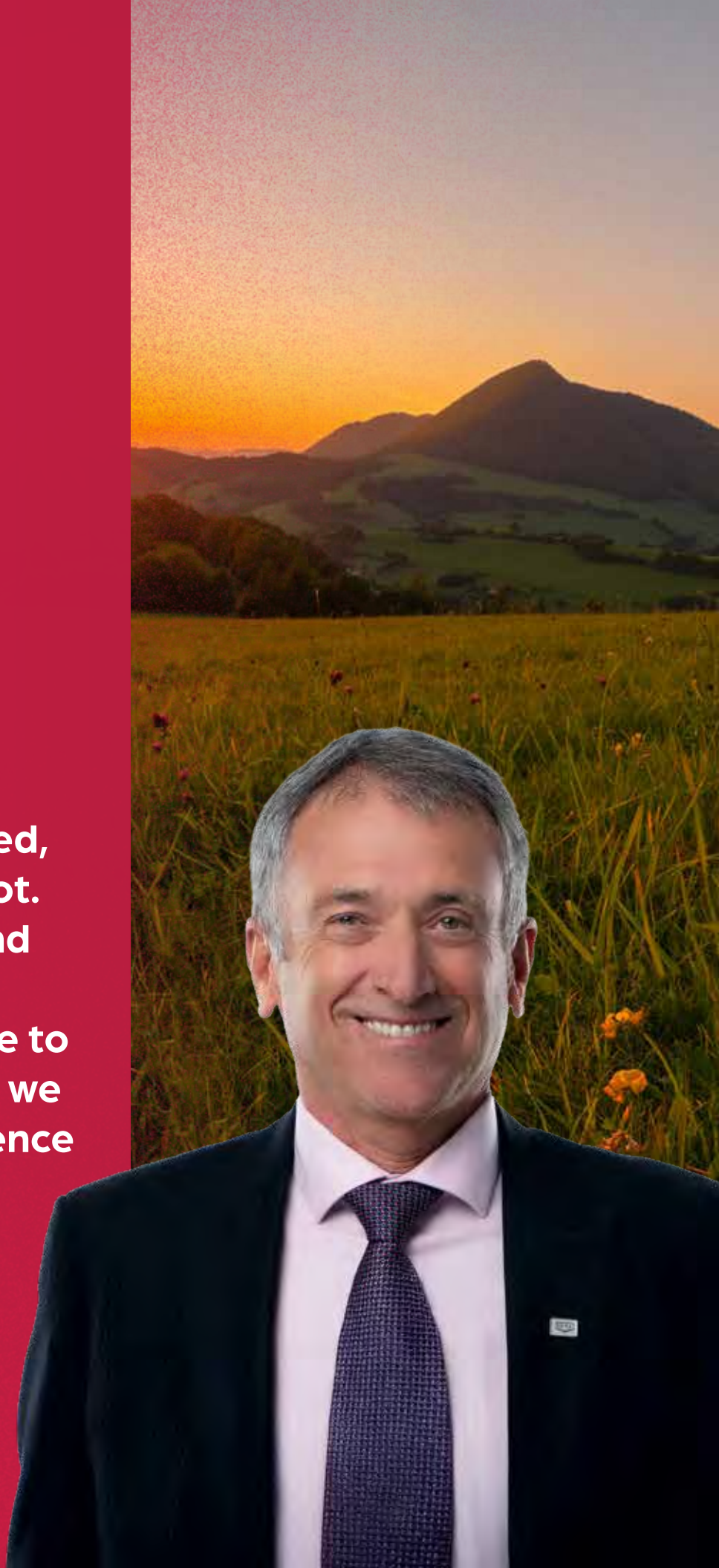
We operate 50+ facilities in five provinces:

- **8** Distribution Centres
- **2** Lumber Distribution Centres
- **33** Propane Centres
- **10** Offices
- **3** Fertilizer Terminals
- **2** Petroleum Terminals
- **1** Refinery
- **1** Ethanol Plant
- **1** Central Fill Pharmacy
- **1** Consolidation Centre

*Changes in numbers account for the addition of facilities through the ColdStar Solutions Inc. acquisition

3,500+ FCL employees

$11.7 billion in sales



"While the world around us has changed, our foundation has not. We are a different kind of business, and it's important to stay true to who we are and what we do — making a difference in members' lives."

Paul Hames
President/Chair of the Board

President's Message

In a rapidly changing world around us, our Co-operative and our Federation continued to show we were built for this by responding with resilience, innovation and pride. Across the CRS, our people showed what it means to rise to the moment. Their dedication is the foundation of our success and what makes us truly unique.

I've proudly served on the FCL Board for the past five years and have witnessed first-hand the strength of our system built on the core values of integrity, excellence and responsibility, with a deep commitment to community.

Now, in my first year as Chair of the Board, I'm honoured to witness that strength in action. Our values are more than guiding principles; they are transformational. When we lead with integrity and trust, we unify. When we act with responsibility and excellence, we strengthen our collective purpose.

This year's annual report theme, Built for This, emerged early in the year as we navigated a complex and evolving situation with tariffs. The uncertainty continued to ripple through our communities and among our teams. And through it all, we've remained steadfast — Co-op was built by Canadians, for Canadians, to support Canadians.

And that's exactly what we did.

When tariffs shifted around us, we unified, drawing on the Co-operative Principles of co-operation among co-operatives and concern for the community. These principles are not just words — they guide every decision and action, ensuring that we remain deeply committed to our members and the communities we serve.

It isn't always easy, but Co-op is more resilient because our people make us stronger.

This concept was highlighted in the 1957 Annual Report. There was one message that stood out to me in that Report's conclusion: "Behind the achievements of the past are the manifold activities of the people who own the locals and the enterprises of FCL, which are, in turn, owned by the locals. These people are the real Federated Co-operatives, and it is their loyalty and understanding of the co-operative idea that our success is due."

Despite the almost 70-year difference, this message still resonates today. While the world around us has changed, our foundation has not. We are a different kind of business, and it's important to stay true to who we are and what we do — making a difference in members' lives.

Throughout the year, Co-op boards and leaders and FCL come together to collaborate and unite on the shared focus of immediate needs and long-term strategic vision. Events like Leaders Conference, June District meetings, and other connection points reinforce the health of our governance and strength of our foundation.

In my role as Board Chair, I am committed to recognizing and prioritizing the importance of board-to-board relationships. We must listen, learn and lead together to build a strong governance framework as the CRS continues to evolve.

As we look ahead to another year, I encourage us all to remember how we were founded: by people who believed in the power of working together. That strength still matters. It's what fuels our progress and keeps us grounded in our purpose.

I'm optimistic about where we're going — not because the path is easy, but because I believe in the people who are taking us there.

CEO's Message

2025 was marked by numerous opportunities to celebrate who we are and the significant positive impact the CRS has for our members and communities across Western Canada.

We live and operate in a quickly changing world. Fortunately, our co-operative roots have prepared us well for this environment of uncertainty — because we are certain. We are built for this and have demonstrated resilience by staying committed to our values and being intentional about our priorities. Success in the face of a quickly changing world comes from being well anchored, which means staying aligned on the things that make us who we are — our co-operative identity, our relationships and our shared purpose.

At our core, we're a co-operative, built to serve our members, strengthen communities and create value for local Co-ops. Together, we have an important responsibility and a unique honour, because our collective success directly impacts the communities where we live and work. That is what sets us apart and what must continue to guide us as we evolve.

As we look ahead, one thing is clear: we are strongest when we are aligned and working together for collective success. This is about more than business results — it is about making a difference for our team members, for local Co-ops and for the communities who count on us across Western Canada.

This requires intentional action and clarity on where we're headed and how. In 2025, we introduced five strategic imperatives that will guide us in the years to come. The imperatives will provide more actionable direction to shape our work and guide how we prioritize resources across the organization, with a focus on delivering the most value to the CRS.

Together, we will continue to plot our path forward, guided by our values, true to our roots and built on our competitive advantages as a co-operative.

This past year also gave us much to celebrate. We marked the 90th anniversary of the Co-op Refinery Complex. The International Year of Co-operatives brought additional focus to the importance of what we do, and the Co-operative Principles that set us apart. With a renewed focus on Canadian pride and buying local, we were able to tout the advantages of being member owned and operated — truly Canadian, and truly local.

In 2025, we continued to do what we do best. We worked together and remained steadfast through all the changes. We were flexible in our actions and committed to our values. Staying united will be key to how we continue to evolve and thrive well into the future.

Together, we are building a sustainable future that honours our co-operative roots and remains true to our purpose. Looking ahead, I know we are well positioned to make a lasting positive impact for the Co-ops and communities we serve across Western Canada for generations to come.

"At our core, we're a co-operative, built to serve our members, strengthen communities and create value for local Co-ops."

Heather Ryan
Chief Executive Officer

Senior Leadership

Heather Ryan
Chief Executive Officer

Rick Fernandes
Vice-President,
Consumer Products

Meghan Gervais
Vice-President,
Health, Safety and Compliance

Leanne Hawes
Vice-President,
Co-op and External Relations

Ron Healey
Vice-President,
Energy and Ag

Kyle Sokul
Vice-President,
Supply Chain

Jennifer Stiglitz
Vice-President,
Manufacturing

Kelly Thompson
Vice-President,
Finance

Shauna Wilkinson
Vice-President,
People and Culture

Brad Zimmer
Vice-President,
Technology

About Us

FCL does business differently. We were created by local Co-ops. We are owned by local Co-ops. We are fundamentally invested in the success of local Co-ops as they serve more than two million members through retail locations in over 650 communities across Western Canada.

We exist to help the **154 independent local Co-op** associations in the CRS and their communities **find and sustain long-term success.**

FCL's support for local Co-ops and their communities comes in the form of:

Strategy and leadership

Providing responsible, innovative leadership to support the CRS and to sustain a vibrant and unified federation.

Wholesaling

Sourcing products across all lines of business that leverage the purchasing power of the CRS.

Manufacturing

Creating products that allow local Co-ops to participate in and benefit from the whole value chain.

Logistics

Managing a logistics network to ensure that products are delivered reliably to local Co-ops and their members.

Operations

Sharing operational best practices and standards to enhance the success of local Co-ops.

Business enabling services

Providing a range of back-office services that help local Co-ops remain competitive while providing a positive customer experience that makes a difference in members' lives.

Vision

Building sustainable communities together.

Mission

To provide responsible, innovative leadership and support to the CRS for the benefit of members, employees and Canadian communities.

Values

Integrity | Excellence | Responsibility

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Directors

Elected by the delegates of member co-operatives, FCL's Board of Directors oversees the management of the business and the affairs of the co-operative in accordance with the Canada Cooperatives Act and FCL's bylaws. The directors must act honestly and in good faith, with a view to the best interests of the Federation as a whole.

The Board is committed to FCL's values: integrity, excellence and responsibility. This means adhering to the highest standards of ethics, honesty and good governance. The Board believes that operating according to these standards is critical to protecting the interests of FCL, its member-owners and its customers.

One of the Board's core responsibilities is to set the long-term strategic direction for FCL and to provide oversight that guides FCL towards achieving its goals. The Board and SLT set five-year goals and focused, near-term priorities to establish the Corporate Plan, which guides the direction for the coming year. The resulting strategic direction is cascaded into the organization to inform annual business planning. Each business unit develops its plan and budget to support these corporate priorities, with the Board then approving the overall budget for FCL. The Board receives regular progress reports on the status of the strategic projects and each business unit's plans and uses a balanced scorecard with key performance indicators to measure corporate performance.

The Board met 11 times in 2024–25, with eight regular board meetings, one reorganization meeting and two special meetings. Eight meetings were held in person and three were held remotely.

Meetings with our members

The sixth annual Leaders Conference was held Nov. 1–3, 2024, in Richmond, B.C. The meeting was attended by more than 420 registered delegates, GMs/CEOs and SLT who had the opportunity to hear from relevant and leading speakers in the co-operative community.

FCL held its Annual Meeting in March. Director elections took place at the meeting with the following directors elected:

- District 1 – Connie Chilcott was elected for her first term
- District 2 – Barb Dixon was elected for her first term
- District 3 – Brett Ferguson was elected for his second term
- District 4 – Nathan Holowaty was acclaimed for his first term
- District 5 – Nicole Smith was elected for her first term

Following the Annual Meeting, the Board of Directors elected Paul Hames as the new President/Chair and Darlene Thorburn as the new Vice-Chair.

June District Meetings were held in Edmonton, Alta.; Kelowna, B.C.; Moose Jaw and Saskatoon, Sask. and Winnipeg, Man.

Director Development Program

The Director Development Program is available to board directors across the CRS. It has three objectives: promote leading practices in co-operative board governance, support boards in being strategic in their guidance of their co-operative and provide tools supporting the roles and responsibilities of a director.

The three series of the program are Foundations of Co-op Governance, Building Strategic Leadership and Advanced Co-operative Governance. Upon completion of this program, directors obtain the Co-op Director.D. designation — the first co-operative director designation in Canada, which identifies the skills and competencies needed to be an effective director at a co-operative. Congratulations to the eight local Co-op directors and one FCL director who achieved this designation in 2025.

Director Development Program data for 2025 fiscal year

- Series 1: Foundations of Co-op Governance – 36 completions
- Series 2: Building Strategic Leadership – 23 completions
- Series 3: Advanced Co-operative Governance – nine completions

Committees

Governance Committee
Darlene Thorburn (Chair), Marc Girard, Robert Grimsrud, Paul Hames, Cole Jackson

Audit Committee
Valerie Pearson (Chair), Connie Chilcott, Matthew Heide, Cole Jackson, Richard Stefansson

Human Resources Committee
Donna Smith (Chair), Barb Dixon, Brett Ferguson, Marc Girard, Darlene Thorburn

Sustainability Committee
Garth Weiterman (Chair), Robert Grimsrud, Matthew Heide, Nathan Holowaty, Nicole Smith

Code of Conduct and Ethics Committee
Darlene Thorburn (Chair), Paul Hames, Donna Smith

Credentials Committee
Darlene Thorburn (Chair), Paul Hames, Valerie Pearson

The President/Chair of the Board sits as an ex-officio member on all committees.

District	Director Name and City	Board Meetings Attended	Committee Meetings Attended	Term Expires
1	**Connie Chilcott,** Fort St. John, B.C.[2]	7/8	3/3	2028
1	**Donna Smith,** Stony Plain, Alta.	11/11	7/7	2026
1	**Cole Jackson,** Mannville, Alta.	11/11	7/7	2027
2	**Darlene Thorburn,** Victoria, B.C.	11/11	8/8	2026
2	**Paul Hames,** Brentwood Bay, B.C.	11/11	13/13	2027
2	**Graham Anderson,** Powell River, B.C.[1]	3/3	4/4	2025
2	**Barb Dixon,** Innisfail, Alta.[2]	8/8	3/3	2028
3	**Brett Ferguson,** Weyburn, Sask.	11/11	4/4	2028
3	**Robert Grimsrud,** Estevan, Sask.	11/11	9/9	2027
3	**Marc Girard,** Moose Jaw, Sask.	10/11	9/9	2026
4	**Valerie Pearson,** Saskatoon, Sask.	11/11	6/6	2027
4	**Randy Graham,** Battleford, Sask.[1]	3/3	1/1	2025
4	**Nathan Holowaty,** Saskatoon, Sask.[2]	8/8	3/3	2028
4	**Garth Weiterman,** Outlook, Sask.	11/11	4/4	2026
5	**Sharon Alford,** Swan River, Man.[1]	11/11	6/6	2025
5	**Nicole Smith,** Oak Lake, Man.[2]	8/8	3/3	2028
5	**Matthew Heide,** Boissevain, Man.	11/11	8/8	2027
5	**Richard Stefansson,** Beausejour, Man.	11/11	4/4	2026

[1] Term ended March 3, 2025
[2] Term began March 3, 2025

Directors

Paul Hames
President/Chair of the Board

Darlene Thorburn
Vice-Chair of the Board

Connie Chilcott
Director

Robert Grimsrud
Director

Matthew Heide
Director

Nathan Holowaty
Director

Nicole Smith
Director

Richard Stefansson
Director

Garth Weiterman
Director

Barb Dixon
Director

Brett Ferguson
Director

Marc Girard
Director

Cole Jackson
Director

Valerie Pearson
Director

Donna Smith
Director

Corporate Goals

Corporate goals define the focus areas and desired outcomes for implementing strategies that align with our long-term direction.

People

We inspire a culture of collaboration, inclusion and well-being.

Market

We understand and address local Co-op and consumer needs to drive CRS performance and targeted growth.

Operations

Through safe, sustainable and efficient operations, we collaborate with local Co-ops to lead business innovations in shared systems, processes and services to create value for the CRS.

Financial

We generate sustainable value, market returns and long-term growth for the CRS.

Sustainability

Environmental, social and fiscal considerations are embedded in planning and decision-making to the advantage of the CRS.

Our goals set the direction, guide our strategy and align our collective efforts toward long–term success.

Financial Highlights

Membership returns

FCL is owned by its local co-operative members. A significant portion of FCL's earnings is returned to its member-owners in the form of patronage allocations based on their purchases throughout the year. The Board has approved the following patronage allocation rates:

Crop Supplies	**2.854%**
Food	**2.624%**
Home and Building Solutions	**2.804%**
Energy–Fuels	**3.258¢/L**
Energy–Propane	**10.042¢/L**
Energy–Oil and Grease	**8.986%**
Fertilizer	**2.625$/MT**

Cents per litre (¢/L)
Dollars per metric ton ($/MT)

2025 Highlights

Sales
$11.7 billion

Net income
$462 million

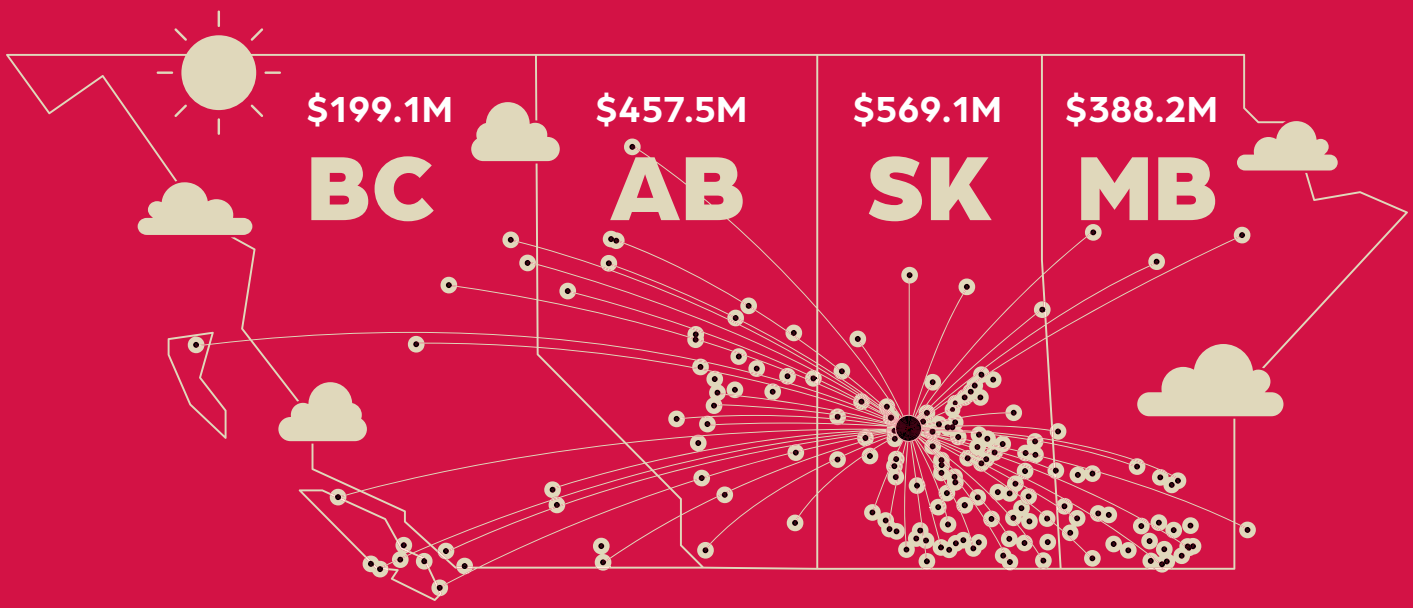
Patronage allocation
$261 million

Share redemption
$238 million

Patronage allocation by province

Over the last five years, FCL has made patronage allocations of nearly $1.6 billion and share redemptions of $1.4 billion in cash to its member-owners.

Every dollar of our profits stays right here to support Western Canadians and make a difference where we live and work. That's something we can all be proud of.



Year in Review

November

Best of CAMA

FCL received two Best of Canadian Agri-food Marketers Alliance (CAMA) Awards and a certificate of merit at the November 2024 gala, which honours marketing excellence in the agriculture sector.

2 CAMA Awards
Plus a Certificate of Merit

January

A caring company

FCL received a Caring Company designation from Imagine Canada for the eighth year in a row. The designation is based on FCL giving in the 2023 fiscal year, which amounted to more than $8.7 million including cash, time, in-kind gifts and program management costs.

LOVE FOR CO-OP

International Year of Co-operatives

2025 was the International Year of Co-operatives (IYC) and provided an excellent opportunity to highlight our contributions, build deeper connections and pride in the CRS and create greater awareness about co-operatives with our team members, members, partners and communities.

Throughout the year, the CRS continued to focus on IYC internally with events and resources highlighting the positive impact co-operatives have and the solutions they provide to today's global challenges.

Co-op Week 2025

Co-op Week 2025 in October provided an opportunity to amplify the importance of co-operatives, as well as increase awareness about the co-operative model and principles and diverse offerings and services that local Co-ops provide to communities across Western Canada.

OVER 1,300 CRS

team members participated in the Co-op Week Team Member Contest, expanding their knowledge of unique Co-op locations and services.

Co-op Throwback Sale

In alignment with IYC festivities at Co-op, FCL introduced limited edition throwback CO-OP® merchandise for team members and local Co-ops to celebrate and honour our collective history.

The love and support of the Co-op brand contributed to the success of this initiative.

$450,000 in merchandise ordered by local Co-ops and FCL.

Co-op: a different kind of business

Further supporting co-operative education, FCL launched a new eLearning module, Co-op: a Different Kind of Business, to enhance team members' understanding of what makes co-operatives and the CRS unique. CRS team members demonstrated their eagerness to learn about the co-operative model during the IYC aligned Learn and Win contest held between May and June.

PROUDLY CANADIAN

We were built by Canadians, to support Canadians. We were built to stand tall in the face of crisis. We were built by you to support you, your family and your community, and we've been doing just that for nearly a century.

Tariffs

In February, the U.S. announced tariffs on Canadian goods. The Canadian government responded with retaliatory tariffs. Due to those events, a cross-functional team came together to actively assess potential impacts across the business. The team explored alternative solutions, investigated supply points, analyzed pricing and financial implications and developed mitigation strategies to support local Co-ops through this evolving and challenging period.

123 news articles and news/radio mentions produced as a result of the CRS' response to tariffs.

Choosing local

Through those quickly changing moments, Co-op was uniquely positioned to make sure customers know that when they choose Co-op, they are choosing local. Our iconic red and white logo is forever linked to our national colours and resonates with our members and customers, now more than ever.

To highlight our roots, we shared multiple internal articles and external statistics on what makes Co-op local, focusing on each area of our business — and emphasizing how Co-op feeds, fuels and builds Western Canada. We developed resources for customers to learn more about our support of local products and producers.

With each passing year, we continue to lean into our purpose and remain rooted in our values. Throughout April to July, FCL showcased the earnest, Proudly Canadian campaign to highlight the pride in the diversity, tenacity and strength of Co-op members and Canadians.

We also released a commercial with the theme *We Were Built for This* that aired during the summer months as a large part of our Proudly Canadian efforts. The spot focused on Co-op's connection to community and the diversity of our country, but most of all to the people who make Co-op and Canada so special.

14% increase in sales of Canadian-made products during the campaign period.

8,490

food items labelled as Made in Canada

OVER 24,700

engagements with Proudly Canadian social media posts

February

HABS integrated Mi9

Completion of Mi9 Point of Sale system rollout and integration into operations at all 103 Co-op Home and Building Solutions Centres.

United Way campaign

FCL announced over $211,864 raised during our workplace United Way campaign, supported by both team member and FCL contributions. These funds will make a meaningful difference by supporting programs and services that strengthen local communities across Western Canada.

$211,864

raised through FCL's workplace **United Way campaign.**

March

96th Annual Meeting

FCL's 96th Annual Meeting was held in Saskatoon, Sask., bringing together more than 268 Co-op leaders from across Western Canada. This Annual Meeting also marked the end of Sharon Alford's term as President/Chair of FCL's Board of Directors. Paul Hames was elected as the new President/Chair.

Strengthening FCL's supply chain

FCL acquired ColdStar Solutions Inc., a transportation, warehousing and grocery wholesaler headquartered in Victoria, B.C. The purchase was a move to support FCL's supply chain optimization objectives and strengthen FCL's supply chain network across Western Canada. It will also support local Co-ops in B.C. looking to diversify and grow their food portfolio.

Pivoting to wholesale packaged feed

FCL announced it will exit the feed manufacturing business and will pivot to wholesale supply of packaged feed and animal supplies. This decision will ensure that the CRS has a reliable, relevant and competitive offering of packaged feed products in the years ahead.

Health and Safety milestone

The Calgary Food Distribution Centre celebrated four years without a lost-time injury. This achievement is a result of the dedication and commitment of the team members, the joint Health and Safety Committee, Health and Safety Advisors and Management. Health and safety are actively promoted throughout FCL's work sites.

April

Carbon Capture Project

FCL advanced construction on the Carbon Capture Project at the Co-op Ethanol Complex, representing a significant step forward in our Co-op Energy Roadmap. Scheduled for commissioning in spring 2026, the project demonstrated visible progress this year, as it reached key milestones, secured government funding and integrated clean carbon technologies. Once operational, it will play an important role in our commitment to reducing emissions and producing low-carbon fuels for the CRS.

HABS support strategy

Introduced the HABS support strategy to provide more structured, collaborative and results-driven support to local Co-ops, extending beyond home centres to encompass hardware and hybrid sites.

May

Moose Hide Campaign Day

For the first time, FCL participated in Moose Hide Campaign Day to encourage the end of gender-based violence through awareness and education grounded in Indigenous ways of learning and healing. Every moosehide pin handed out to FCL team members became a part of the collective story and journey towards truth and reconciliation.

FCL team members share in the journey towards truth and reconciliation.

FUELLING WESTERN CANADA

CRC 90th anniversary

In May, the Co-op Refinery Complex (CRC) celebrated decades of fuelling Western Canada with a heartfelt 90th anniversary celebration.

From the small-scale operation started by eight enterprising farmers who wanted to produce and distribute their own gasoline in 1935, CRC has grown to become one of Canada's largest integrated refining and upgrading complexes. Today, CRC has the capacity to process approximately 130,000 barrels of refined petroleum products each day. That translates into 16 million litres distributed daily to local Co-op Gas Bars and Cardlock facilities across Western Canada.

Through the years, team members across the CRS have built on that legacy by working tirelessly to ensure we continue to fuel Western Canada.

Safe, reliable operations

FCL invested more than $90 million in CRC's 2025 Turnaround in April. CRC team members and contractors collaborated on solutions and supported one another to get the job done safely and reliably. Turnaround was completed with zero recordable injuries — a first for CRC which speaks to the team's unwavering commitment to safety.

Overall, the 2025 Turnaround readiness was above industry average which allowed CRC to be more predictive with cost and schedule. Some of the major projects included installing two new process gas heaters within the Sulfur Plant, as well as performing repairs to critical equipment within Section V.

540,000

person-hours dedicated by team members and contractors to the annual project.

June

Canadian Grand Prix awards

FCL won three awards in the Private Label Food category at the Canadian Grand Prix New Product Awards, presented by the Retail Council of Canada. The awards recognized four CO-OP GOLD® products: Pork Carnita, Beef Barbacoa, Snack Mix and Perogies.

Environmental Leadership Award finalist

FCL was a finalist in the Retail Council of Canada's Environmental Leadership Award for their submission, Warehouse Building Efficiency: Energy and Water Conservation.

SharePoint for Tempo independent dealers

Launch of the Independent Fuel Dealer SharePoint site to TEMPO® independent dealers across Western Canada to improve communication and operational efficiency and support positive, collaborative relationships.

You're At Home Here

The CRS continues to support team members in feeling at home and offering opportunities to learn, connect and grow while fostering diversity, equity and inclusion.

- New partnership with Pride at Work Canada, which empowers Canadian employers to build workplaces that celebrate all team members regardless of gender expression, gender identity and sexual orientation.
- Throughout the month of June, team members participated in Pride parades across Western Canada, as well as the annual crosswalk painting outside of Home Office in Saskatoon.
- It was the second year for the Wellness Challenge to encourage team members to prioritize physical, psychological, financial and social well-being.

CO-OP IN THE COMMUNITY

When member-owners support their local Co-op, they're making it possible for their Co-op to give back to their community. Co-op donates to local organizations and charities, hosts fundraisers to help community groups, sponsors events and local facilities and more.

Every year, local Co-ops give back through Fuel Good Day, Community Spaces, partnerships with national organizations and other local programs. Supporting our communities is a big part of what drives us, with "Concern for Community" being one of the seven Co-operative Principles.

Community Spaces

In 2025, the CRS invested a total of $1 million benefitting 14 local projects in communities across Western Canada.

Community Investment Fund

Through the FCL Community Investment Fund, $256,000 was donated to 96 organizations that matter to our team members.

Community Builders

Through the Community Builders volunteer recognition program, 16 team members were recognized, resulting in $15,000 in donations to organizations where they volunteer.

Co-op Helps

Wildfires in Manitoba and Saskatchewan directly affected local Co-ops and their communities. Through the Co-op Helps program, FCL, local Co-ops and Co-op customers donated $176,808 to wildfire relief efforts through registered charities or non-profit organizations and Red Cross appeals.

July

Record number of acres scouted

Through Co-op's AGZONE® FIELD™ a record 2.5 million acres of land was scouted to gather and consolidate crop data, enabling Co-op Grow Team members and farmers to make more informed decisions.

2.5 MILLION

acres of land scouted to support data-driven farm decisions.

Ag in Motion

Over 30,000 people attended Ag in Motion near Langham, Sask. — the largest outdoor farm expo in Western Canada. The CRS once again had a visible presence with our Co-op Farm Building serving as one of the flagship exhibits. This annual event provides an opportunity for local Co-ops and FCL to showcase the breadth of our portfolio (including our growing line of private brands), services and knowledge of the Co-op Agro team.

August

Transition to lubricant wholesale

FCL announced its decision to transition from lubricant manufacturing, blending and packaging to wholesale supply and distribution. This will ensure FCL continues to provide a reliable supply of competitively priced, quality lubricant products at Co-op locations across Western Canada.

Blair's Crop Solutions

FCL transitioned seven Blair's Crop Solutions ag retail locations to five local Co-ops in Saskatchewan, providing Co-op members with additional options to shop Co-op, maximizing the use of existing Co-op infrastructure and enhancing the competitiveness of the CRS. The Blair's sites will transfer about $100 million in sales to local Co-ops.

$5 MILLION

raised for local charities and non-profit organizations through Fuel Good Day.

September

Fuel Good Day raises record–breaking total

Co-ops across Western Canada raised over $795,000 — the largest sum to date — to support more than 220 community organizations through FUEL GOOD DAY®. Since 2017, Fuel Good Day has raised more than $5 million for local charities and non-profit organizations.

BRIC Petroleum Dashboard

Local Co-ops participated in the pilot phase of the Bulk Record Information Computerized (BRIC) Petroleum Dashboard under the Energy Digital Enhancement initiative. It unites cardlock and bulk petroleum delivery data from BRIC, delivering near real-time sales into one accessible dashboard supporting Co-ops in making informed business decisions.

Co–op and Saskatchewan Roughriders team up

Co-op and the Saskatchewan Roughriders Football Club announced a multi-year partnership — bringing together two of the province's most recognized and trusted brands. This landmark agreement created one of the largest and most impactful community-driven collaborations in Canadian professional sports — the Co-op Community Zone.

Employee Engagement Survey

FCL's Employee Engagement Survey overall engagement score improved for 2025. Feedback highlighted improvements in previous focus areas (recognition and well-being) and opportunities for continued focus (career and development). By drawing on the insights of our team members, we will continue to drive meaningful progress and create the employee experience we aspire to.

JOURNEY TO TRUTH AND RECONCILIATION

FCL's journey toward truth and reconciliation is grounded in our shared vision — building sustainable communities together. Across more than **650** communities in Western Canada, we know that sustainability isn't only about business success. It's about relationships, inclusion and respect for the people and lands we are connected to.

Our values of integrity, excellence and responsibility guide how we approach this work. Integrity calls us to act ethically and communicate openly. Excellence reminds us to keep learning and improving. Responsibility means showing up — for our communities.

Listening and learning

Our 2025 fiscal year began with listening — at the Indigenous Business Gathering held in Saskatoon in March. More than **1,100** attendees came together to discuss how business can support Indigenous economic growth. The conversations reaffirmed that relationships must come before results. Each introduction, handshake and shared story deepened our understanding of what partnership can look like when built on respect and trust.

Community in action

Through the winter and spring, that same spirit carried into community action. In November, employees gathered donations for the Saskatoon Indian and Métis Friendship Centre, providing boots, jackets and mittens for community members in need. FCL matched those efforts with a **$2,000** contribution, but the real impact came from volunteers who took the time to pack, deliver and connect.

In May, we once again supported the Prairie Rivers Reconciliation Circle, inviting team members to attend the annual educational gathering held on Whitecap Dakota First Nation land. FCL has been a member since the Circle's beginning in 2018 and a sponsor since 2023. It remains one of the most meaningful ways we learn together.

June brought moments of celebration and reflection. To mark National Indigenous History Month, we welcomed the Mahihkanak Youth Dance Troupe, where students from Grades 6–9 shared powwow styles and stories of cultural pride. Their performance was streamed live across the CRS, connecting hundreds of employees and Co-ops to the joy and resilience of Indigenous youth.

Many team members and Senior Leadership Team (SLT) also took part in the Rock Your Roots: Walk for Reconciliation, walking alongside Indigenous Elders, residential school Survivors and community members in recognition of our shared history and shared future.

Supporting communities through volunteerism, listening and shared learning.

Acting on our commitments

Our truth and reconciliation work has been guided by work with the Office of the Treaty Commissioner and Elder Judy Pelly. Together, we identified priorities and goals that move beyond awareness into everyday accountability and action. Elder Pelly continues to guide us as we put these goals into practice, ensuring our steps remain respectful and Indigenous-led.

In July, FCL became a member of the Canadian Council for Indigenous Business, strengthening our connection to Indigenous entrepreneurs and networks across the country. And in September, our commitment to learning deepened with the launch of the new Indigenous Awareness Training for all team members, Co-ops and Co-op boards within the CRS.

Continuing the journey

Our Indigenous Relations team continues to build relationships with Indigenous communities and businesses on behalf of the CRS. In 2024–25, over **400** meetings were held with our Indigenous neighbours across Western Canada — conversations that focused on listening, partnership and shared opportunity.

We're also deepening our support of organizations like the Saskatoon Indian and Métis Friendship Centre, where our focus on volunteerism and grassroots engagement helps ensure our actions reflect community needs.

This journey doesn't belong to one department or one year. It's an ongoing effort that connects every part of who we are — as an organization, as people and as neighbours. Together, we'll continue to walk the path of truth and reconciliation, guided by integrity, excellence and responsibility.

October

Owned by Co-op Members

FCL launched a new ad campaign and brand platform featuring nostalgia, memories and magic to capture what makes Co-op a different kind of business and encourage viewers to become a Co-op member.

Tempo and Western Nations Fuelled by Co-op

FCL collaborates with local Co-ops to offer a branded CRS fuel supply program to independent business owners. Together, we have grown the independent branded network to 103 sites, including 98 Tempo sites and five WESTERN NATIONS® sites. The Fuelled by Co-op sub-brand is offered at selected Tempo and Western Nations locations.

Electronic Shelf Labels

By the end of fiscal year 2025, over 2.2 million electronic shelf labels were installed at 190 Co-op locations, enhancing operational efficiency and accuracy through real-time pricing and promotion updates for local Co-ops.

Decommissioning Telxon

In 2025, we completed our multi-year transition plan to more modern handheld ordering devices across all business lines, allowing us to reach a milestone: the order processing systems used to receive and convert orders from Telxon devices were formally decommissioned on Oct. 31.

Crop protection shines

Our Co-op private brand crop protection portfolio saw the addition of four new products, rounding out our herbicide category and introducing a unique fungicide-biostimulant combination. Grower and retail confidence in the quality and performance of Co-op products resulted in continued growth momentum. Sales volume increased by over 20 per cent.

Strong fertilizer performance

The fertilizer department saw strong sales, which translated into market share growth for the CRS.

People Forward

The Wave 4 rollout brought two corporate-owned TGP locations, FCL Support Services Co-operative (Central Fill Pharmacy) and 16 local Co-ops on to the People Forward program. A cohort model and tailored support approach fostered stronger collaboration and deeper engagement with local Co-ops.

Core Financial systems transition

Retail Core Financials completed the transition from Mainframe to JD Edwards (JDE) for 25 Co-ops in 2025. During this time, approximately 1,000 new JDE users were trained across the CRS.

Co-processing trial at CRC

FCL conducted our first co-processing trial, running canola oil with conventional crude oil, through one of the Refinery's Fluid Catalytic Cracking Units. The two-week trial provided key insights into the long-term feasibility of co-processing and its potential to support FCL's pathway to compliance by reducing the carbon intensity of our liquid transportation fuels, while utilizing existing Refinery infrastructure.

CO-OP COLLABORATION AND OFFERINGS

Through strategic leadership, products, programs and services, FCL and local Co-ops partner together to make a difference in members' lives. In 2025, the CRS continued to focus on strengthening relationships through connection, collaboration and shared action on improving and enhancing our services to our member-owners.

Collaborating with local Co-ops. **Enhancing services** for member-owners.

5 acquisitions completed across all four core business lines by year-end.

17% year-over-year growth in weekly active users for the mobile app.

41,330 new online consumer membership signups through the web or Co-op app.

100,000 new local Co-op members added over the past year.

CRS collaboration

Every year, the CRS comes together through various touchpoints like the Energy, HR, Pharmacy and Leaders Conferences to intentionally connect, discuss and collaborate on the economic and social health of our system.

By bringing team members and team leaders together across the CRS and prioritizing strong relationships, we ensure that the co-operative system thrives – delivering economic returns, strengthening communities and living our purpose together.

FCL's Value Proposition Initiative continues to focus on improving understanding of the complex, diverse needs of local Co-ops to earn their business and enhance the support and value we provide.

SLT, Organizational Leaders and Business Advisors toured 76 local Co-ops and one affiliate Co-op to listen, deepen relationships, gain understanding and reaffirm FCL's commitment to set Co-ops up for success.

FCL implemented 10 Strategic Advisory Committees for the next level of management below local Co-op's GM/CEO and FCL's SLT to invite meaningful engagement, dialogue and to create peer network opportunities across the CRS.

137 local Co-ops (90 per cent) attended at least one FCL governance or operational meeting in 2025.

Co-op offerings

Having a shared purpose creates a powerful way to elevate what we deliver and stay true to what we do — meeting the diverse needs of our members.

In 2025, FCL and the CRS expanded the way we serve and support Co-op members and customers through various options.

24-hour Unattended Fuelling

This project extends our 24-hour gas bar network beyond the province of Alberta to jurisdictions, where permitting, in British Columbia and Saskatchewan. Sites utilize existing pay at the pump technology and newly added training screens on the dispensers to enable unattended fuelling after business hours at 59 Co-op Gas Bar/C-Store locations.

Cardlock Europay, Mastercard and Visa (EMV)

This project brings credit and debit card optionality to Co-op Cardlock customers at 142 sites across the CRS network.

AGZONE HQ™ and Customer Relationship Management

These are comprehensive digital tools to empower Co-op members to strengthen customer relationships and oversee their business operations — including invoice management, product orders and accessibility of purchase history.

Sustainability Highlights

Below is an overview of the accomplishments of the CRS' sustainability initiatives for the year. All metrics are for the 2024 calendar year, unless otherwise noted.

Waste, recycling and plastics

47% of waste diverted from the landfill, including **6,000 kg of batteries** and **70,000 kg of steel** that were recycled.

Composted 91,000 kg of organics from our distribution centres.

The CRS continued to encourage customers to **recycle their vehicle batteries through the Battery Bucks program,** hitting a **recycle return rate of 109%.**

Recycled 260,000 kg of plastic wrap and film from our local Co-ops and distribution centres, which were baled and sold to be **processed into composite decking.**

Recycled 333,000 kg of paper and cardboard at FCL distribution centres.

FCL is a signatory member of the **Canada Plastics Pact.** This year, FCL reported:

9% **increase in post-consumer recycled plastics** sourced for the CRS

25% **increase in problematic plastics***

2% **increase in recyclable plastics***

* Changes could be attributed to more accuracy in data reporting.

Food recovery and community support

5.9 million kg
of food waste was rescued
from **131** participating local Co-op locations and **repurposed to local farms through the Loop program.**

Donated the equivalent of $41,000 of pet food
to **local pet rescue organizations** in Calgary, Edmonton, Saskatoon and Winnipeg.

987,000 kg of food was donated to food banks
in Calgary, Edmonton, Saskatoon and Winnipeg, equivalent to over **$6.1 million in value.**
The volume of **food donations increased over 2.5 times** from 2023 to 2024 due to the cyber incident.

Sustainable sourcing, agriculture and climate action

Sourced over 21.6 million kg
of **fresh produce** from Western Canadian farmers.

FCL's commitment to our **Sustainable Fish and Seafood Policy** resulted in
97% of the fish and seafood being sustainably sourced,
up from **94% in 2024.**

The **GROWN WITH PURPOSE® program** has 422,300 acres recorded across
116 participating farms.

FCL contributed
$2.1 million to support research initiatives
for impacted site remediation.

Reduced fuel consumption
for merchandise and petroleum fleet vehicles **from 46 L/100 km in 2023 to 45 L/100 km.**

FCL reported on Phase 1 of the
Federal Plastics Registry
in the fall of 2025 on behalf of the CRS, including:

- ✓ **957 kg** of electronics and electrical equipment
- ✓ **1,350,203 kg** of single-use or disposable products
- ✓ **4,637,894 kg** of plastic packaging, filled and unfilled.

In 2024, FCL's Scope 1 and Scope 2 emissions were
2.23 million tonnes
of carbon dioxide equivalent.

6%
decrease in emissions compared to the previous year (2023)

7%
Decrease in emissions compared to the 2015 base year

Emissions are calculated using the World Resource Institute's Greenhouse Gas Protocol guidance, as per common industry practice.

STATEMENT ON THE

Co-operative Identity

International Co-op Alliance

What is a co-operative?

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Co-operative values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Co-operative Principles

The Co-operative Principles are guidelines by which co-operatives put their values into practice.

1. Voluntary and open membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic member control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote), and co-operatives at other levels are also organized in a democratic manner.

3. Member economic participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4. Autonomy and independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5. Education, training and information

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public — particularly young people and opinion leaders — about the nature and benefits of co-operation.

6. Co-operation among co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. Concern for community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Manchester, United Kingdom
Sept. 23, 1995

CODE OF

Ethical Standards for Co-operatives

We recognize that this consumer-owned co-operative has a responsibility to respect, to promote and to protect the rights of consumers, and that these rights include:

The right to safety | The right to be informed | The right to choose | The right to be heard

In support of its responsibility to appreciate the rights of consumers, this co-operative shall aim to observe and apply in all of its activities, the following:

Ethical Standards

- All claims, statements, information, advice, and proposals shall be honest and factual.
- Sufficient disclosure of pertinent facts and information shall be made to enable others to adequately judge the offered product, service, or proposal, and its suitability for the purpose to be served.
- Due regard shall be given to public decency and good taste.
- Unfair exploitation in any form shall be avoided.
- Comparison of co-operative merchandising, products, services, philosophy, principles, or practices, to those of others shall only be made honestly and fairly, and without intent to harmfully disparage.
- The interests of the membership as a whole shall be paramount to the interests of the institution.
- The co-operative shall aim to be equitable in the treatment of its members.
- Knowingly advising or persuading individuals to take action that may not be in their best interests shall be avoided.

Application of the Code

Having acknowledged that the consumer has certain rights, and being resolved to conduct our activities in the interests of the consumer, we shall, at all times, when applying this code or interpreting its intent, emphasize ethical human relations and values rather than technicalities or legalisms.

Our test for compliance to this Code of Ethical Standards shall be the effect of a communication or action on the ordinary or trusting mind. We recognize that it is not sufficient that a discerning, knowledgeable, or analytical person may derive a correct interpretation if others may be misled.

The Code of Ethical Standards is adopted by the Board of Directors as an official policy of FCL and is recommended for adoption by all retail co-operatives served by FCL.

2025 FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of Federated Co-operatives Limited:

Opinion

We have audited the consolidated financial statements of Federated Co-operatives Limited and its subsidiaries (the "Co-operative"), which comprise the consolidated statement of financial position as at October 31, 2025, and the consolidated statements of comprehensive income, members' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Co-operative as at October 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Co-operative in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Co-operative to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
December 17, 2025

Consolidated Statements of Comprehensive Income

Years ended October 31		In millions of CAD $	
Notes		**2025**	2024
	Sales	**$ 11,695**	$ 11,884
16	**Cost of Products Sold**	**10,358**	10,690
	Gross Margin	**1,337**	1,194
16	Operating and administration expenses	**681**	687
16	Loyalty payments	**199**	198
16, 18	Finance costs	**36**	50
8, 10	Impairment losses	**41**	83
22	Losses on risk management contracts - realized	**13**	16
22	(Gains) losses on risk management contracts - unrealized	**(10)**	5
15	Other income	**(142)**	(155)
		818	884
	Net Income Before Income Taxes	**519**	310
20	Income taxes	**57**	13
	Net Income Before Other Comprehensive Income	**462**	297
14	Actuarial gain on defined benefit plan (net of tax)	**3**	-
	Total Comprehensive Income	**$ 465**	$ 297

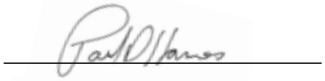
Consolidated Statements of Cash Flows

Years ended October 31		In millions of CAD $	
Notes		2025	2024
	Operating Activities		
	Net income	**$ 462**	$ 297
	Adjustments for:		
16	Depreciation and amortization	**444**	436
15	Loss on disposal of long-lived assets	**-**	1
10	Settlement of emission obligations	**87**	-
16	Impairment losses	**41**	83
20	Deferred tax	**(115)**	(166)
22	Unrealized (gains) losses on risk management contracts	**(10)**	5
12	Settlement of asset retirement obligations	**(10)**	(10)
12	Accretion	**6**	6
	Contributions to the pension liability, net of expense	**-**	(1)
	Changes in non-cash operating working capital:		
	Members accounts receivable	**243**	(226)
	Non-members accounts receivable	**80**	(17)
	Inventories	**(7)**	211
	Prepaid expenses	**(13)**	(5)
	Accounts payable	**(82)**	5
	Income taxes payable	**(38)**	145
	Cash provided by operating activities	**1,088**	764
	Investing Activities		
	Withdrawals (additions) to short-term investments	**155**	(82)
	Increase to investments and advances	**(99)**	(26)
8, 9	Additions to long-lived assets	**(267)**	(390)
10	Additions to intangible assets	**(138)**	(98)
8	Acquisitions	**(28)**	-
	Proceeds on disposal of long-lived assets	**41**	9
	Cash used in investing activities	**(336)**	(587)
	Financing Activities		
	Repayment of long-term debt	**(307)**	-
	Redemption of share capital	**(229)**	(323)
	(Repayment of) proceeds from members' funds, net	**(187)**	104
	Acquisition of non-controlling interest	**(7)**	-
19	Principal repayment of lease obligations	**(11)**	(7)
	Cash used in financing activities	**(741)**	(226)
	Increase (decrease) in Cash and Cash Equivalents	**11**	(49)
	Cash and Cash Equivalents, Beginning of Year	**471**	520
	Cash and Cash Equivalents, End of Year	**$ 482**	$ 471
	Cash and Cash Equivalents are comprised of:		
	Cash	**275**	199
	Cash equivalents	**207**	272
		$ 482	$ 471

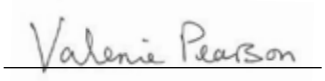
Consolidated Statements of Financial Position

As at October 31		In millions of CAD $	
Notes		2025	2024
	Current Assets		
	Cash and cash equivalents	**$ 482**	$ 471
	Short-term investments	**1,719**	1,874
	Members accounts receivable	**1,343**	1,586
	Non-members accounts receivable	**462**	542
6	Inventories	**1,096**	1,089
	Prepaid expenses	**46**	33
7	Current portion of advances	**270**	202
		5,418	5,797
	Non-Current Assets		
7	Investments and advances	**334**	303
20	Deferred tax asset	**10**	5
9	Investment property	**31**	32
8	Property, plant and equipment	**3,269**	3,412
10	Intangible assets	**390**	374
		$ 9,452	$ 9,923
	Current Liabilities		
	Accounts payable	**$ 1,272**	$ 1,381
11	Members' funds	**516**	703
11	Current portion of long-term debt	**-**	300
	Income taxes payable	**101**	139
		1,889	2,523
	Non-Current Liabilities		
19	Long-term lease obligations	**71**	37
12	Asset retirement obligations	**129**	121
14	Pension liability	**17**	23
20	Deferred tax liability	**521**	623
		738	804
	Members' Equity		
13	Members' share capital	**2,091**	2,059
	Retained earnings and accumulated other comprehensive loss	**4,734**	4,530
		6,825	6,589
	Non-controlling interest	**-**	7
		6,825	6,596
		$ 9,452	$ 9,923

On behalf of the Board:



Director



Director

Consolidated Statements of Members' Equity

As at October 31 In millions of CAD $

	Members' Share Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Non-controlling Interest	Total Equity
Balance as at October 31, 2023	**$ 2,130**	**$ (69)**	**$ 4,554**	**$ 7**	**$ 6,622**
Net income	-	-	297	-	297
Other comprehensive income	-	-	-	-	-
Non-controlling interest	-	-	-	-	-
Patronage allocation	252	-	(252)	-	-
Redemption of shares	(323)	-	-	-	(323)
Balance as at October 31, 2024	**$ 2,059**	**$ (69)**	**$ 4,599**	**$ 7**	**$ 6,596**
Net income	-	-	462	-	462
Other comprehensive income	-	3	-	-	3
Non-controlling interest	-	-	-	(7)	(7)
Patronage allocation	261	-	(261)	-	-
Redemption of shares	(229)	-	-	-	(229)
Balance as at October 31, 2025	**$ 2,091**	**$ (66)**	**$ 4,800**	**-**	**$ 6,825**

Notes to the Consolidated Financial Statements

For the years ended October 31, 2025 and 2024 (in millions of Canadian dollars except as noted)

Note 1 **Federated Co-operatives Limited**

Federated Co-operatives Limited is incorporated under the *Canada Cooperatives Act*. The address of the registered office is 401-22nd Street East, Saskatoon, Sask., S7K 0H2. The consolidated financial statements as at and for the years ended October 31, 2025 and 2024 comprise Federated Co-operatives Limited and its subsidiaries (collectively, "the Co-operative"). The Co-operative provides central wholesaling, manufacturing, refining and administrative services to 154 locally-owned retail co-operatives across Western Canada.

Note 2 **Basis of preparation**

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorized for issue by the Board of Directors on December 17, 2025.

(b) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, except for risk management contracts, cash and cash equivalents and short-term investments, as detailed in the accounting policies disclosed in Note 3. The accounting policies described in Note 3 have been applied consistently to all periods presented in these consolidated financial statements.

(c) Functional currency

These consolidated financial statements are presented in Canadian dollars, which is the Co-operative's functional and presentation currency.

Note 3 **Material accounting policies**

(a) Basis of consolidation

i. Subsidiaries

The consolidated financial statements include the accounts of the Co-operative and its subsidiaries. Subsidiaries are entities that the Co-operative controls. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. All subsidiaries' functional currency is Canadian dollars.

ii. Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized income and expenses arising from said transactions, are eliminated on consolidation.

(b) Foreign currency translations

Items included in the Co-operative's consolidated financial statements are measured using the functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities not denominated in the functional currency of the Co-operative are recognized in the consolidated statements of comprehensive income.

(c) Fair value measurement

A number of the Co-operative's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Co-operative characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value is directly or indirectly observable
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Co-operative recognizes transfers between levels of the hierarchy at the end of the reporting period during which the change has occurred.

(d) Cash and cash equivalents

Cash and cash equivalents consist of balances with financial institutions and investments in money market instruments which have a maturity of three months or less at the time of purchase.

(e) Financial instruments

i. Initial measurement and classification

Financial assets and financial liabilities are recognized in the Co-operative's consolidated statements of financial position when the Co-operative becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value. The Co-operative initially measures and classifies financial assets and liabilities to reflect the segment in which they are managed and the related cash flow characteristics. Subsequently, financial assets and liabilities are classified and measured either at amortized cost or fair value through profit or loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities subsequently measured at FVTPL are recognized immediately in comprehensive income. If not subsequently measured at FVTPL, transaction costs are included in the fair value on initial recognition.

ii. Derecognition

The Co-operative derecognizes a financial asset when the contractual rights to the cash flow from the financial asset expire or it transfers the contractual rights to receive the cash flow. Any difference between the carrying amount of the asset and the consideration received is recognized in comprehensive income. The Co-operative derecognizes a financial liability when it is extinguished. Any difference between the carrying amount of the liability extinguished and the consideration paid is recognized in comprehensive income.

iii. Non-derivative financial assets

A financial asset is subsequently measured at amortized cost using the effective interest method and net of any impairment losses if:

- the asset is held within a segment with an objective to hold assets in order to collect contractual cash flows, and;
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Financial assets, other than those measured at amortized cost, are subsequently measured at FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless there is a change in the business model of managing them.

Financial assets measured at amortized cost are comprised of members and non-members accounts receivable and investments and advances. Financial assets measured at FVTPL comprise cash and cash equivalents and short-term investments. In addition, derivative financial instruments measured at FVTPL are included in non-members accounts receivable.

iv. Non-derivative financial liabilities

Financial liabilities, other than those measured at amortized cost, are subsequently measured at FVTPL.

Financial liabilities measured at amortized cost are comprised of accounts payable, members' funds and long-term debt. Financial liabilities measured at FVTPL are comprised of derivative financial instruments and are included in accounts payable.

v. Derivative financial instruments

The Co-operative uses derivative financial instruments, such as financial contracts, to manage exposure to fluctuations in commodity prices and foreign currency exchange rates as part of its overall risk management program. The Co-operative's policy is not to use derivative financial instruments for speculative purposes. The Co-operative has chosen not to use hedge accounting for any derivative financial instruments. All derivative instruments are recognized on the trade date at fair value on the consolidated statements of financial position as either an asset or liability and subsequently at FVTPL. Realized gains or losses from financial derivatives are recognized as they occur. Unrealized gains or losses are recognized in comprehensive income at each respective reporting period-end. The fair value of these transactions is based on the estimated amounts that would have been paid to, or received from, counterparties to settle the outstanding transactions with reference to the estimated future prices as of the reporting date.

Fixed-price commodity contracts entered into for the purpose of receipt or delivery in accordance with the Co-operative's expected purchase, sale or usage requirements are not considered to be derivative financial instruments.

vi. Offsetting financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is presented in the consolidated statements of financial position, when the Co-operative has the legally enforceable right to set-off the recognized amounts and it intends to realize the asset and settle the liability simultaneously. Assets and liabilities related to derivative financial instruments are currently offset.

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method and the weighted average method. The cost of inventories includes all costs of acquisition, production or conversion and other costs incurred to bring them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling. Various factors impact estimates of net realizable value, including fluctuations in prices due to seasonality, damage to inventory, permanent declines in sales prices, inventory levels and obsolescence. A write-down is recognized if the carrying amount exceeds net realizable value and may be reversed if the circumstances which caused it no longer exist.

(g) Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes all expenditures directly attributable to bringing the asset to the location, installing it for its intended use and any related borrowing costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as major components.

ii. Subsequent cost

Subsequent expenditures are capitalized when it is probable that future economic benefit will flow to the Co-operative. When the cost of replacing part of an item of property, plant and equipment is capitalized, the carrying amount of the replaced part is derecognized. The costs of planned major inspection, overhaul and turnaround activities are capitalized when they benefit future years of operations. Repairs and maintenance costs are expensed as incurred. Any gain or loss arising on the disposal of an item is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in other income.

iii. Borrowing costs

The Co-operative capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, as part of the cost of that asset until such time that the asset is substantially ready for its intended use or sale. The Co-operative identifies a qualifying asset as one that takes a minimum of one year to get ready for its intended use or sale. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the Co-operative capitalizes the actual borrowing costs incurred on that borrowing during the period, less any investment income earned on the temporary investment of these borrowings. To the extent that a qualifying asset is funded generally, the Co-operative determines borrowing costs eligible for capitalization by applying the weighted average cost of borrowing for the period to the expenditures on that asset. All other borrowing costs are expensed in the period in which they occur.

iv. Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life. Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

Asset description	Estimated useful life (years)
Buildings	50
Equipment and fixtures	2 – 30
Right-of-use (ROU) assets	Lease term

(h) Intangible assets

i. Supply agreements

The Co-operative has exclusive supply agreements with various retail members to supply virtually all of their food, home and building supplies, ag solutions and energy product requirements. The supply agreements are initially measured at fair value using the discounted cash flow method. The supply agreements are subsequently measured at cost and amortized over the estimated useful life of the agreements, which range from one to 33 years (2024 – one to 30 years), less any accumulated impairment losses.

ii. Emission credits

The Co-operative is subject to compliance with various Canadian clean fuel regulations. Credits purchased from third parties are used to meet the Co-operative's compliance requirements for each respective program. The credits purchased are measured at cost with an indefinite useful life and are derecognized when used for compliance obligations.

iii. Research and development

Research is an original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge or understanding. Research costs are expensed as incurred.

Development activities involve a plan and design to produce new or substantially improved products and/or processes. Development costs are capitalized if they can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Co-operative intends to, and has sufficient resources to, complete the development and to use or sell the asset. Development costs capitalized include the costs directly attributable to preparing the asset for its intended use. Other development costs are expensed as incurred. Capitalized development costs are depreciated straight-line over the expected useful life of the asset.

iv. Goodwill

The Co-operative measures goodwill as the fair value of the consideration transferred, including the recognized amount of any non-controlling interest acquired, less the fair value of the identifiable assets acquired, and liabilities assumed, all measured as at the acquisition date. Goodwill is assigned to an appropriate cash generating unit (CGU), or groups of CGUs, and tested annually for impairment. Impairment losses are recognized in comprehensive income and are not subject to reversal.

(i) Investment property

Investment property is property held to earn rental income and/or for capital appreciation, but not held for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes. Investment properties are measured initially at cost, including transaction costs, and subsequently at cost less accumulated depreciation and any accumulated impairment losses. Rental income and operating expenses from investment property are reported in comprehensive income. When the use of a property changes such that it is reclassified as property, plant and equipment, its net book value at the date of reclassification becomes its cost for subsequent accounting. Buildings classified as investment property are depreciated straight-line over the useful life of 50 years.

(j) Leased assets

i. The Co-operative as lessor

Leases that transfer substantially all of the risks and rewards of ownership are accounted for as finance leases. At commencement, a lease receivable at an amount equal to the net investment in the lease is recognized. Subsequently, lease income is recognized on a straight-line basis over the lease term. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the lease term.

ii. The Co-operative as lessee

A lease is a contract that conveys the right to control the use of an identified asset for a period of time. The Co-operative recognizes a ROU asset and lease obligation at an amount equal to the present value of the future lease payments on the lease commencement date. The discount rate used in the present value calculation is the interest rate implicit in the lease or, if the rate cannot be readily determined, the Co-operative's incremental borrowing rate. Lease costs are recognized in comprehensive income as depreciation of the ROU asset and finance costs of the lease obligation. Lease obligations are remeasured when there is a change in management's assessment of whether it will exercise a renewal or termination option or a change in future lease payments and ROU assets are adjusted by the same remeasurement amount. Leases with terms of less than twelve months, leases of low-value assets and contracts that do not contain a lease are charged to comprehensive income on a straight-line basis over the lease term.

(k) Impairment

i. Non-financial assets

At the end of each reporting period, the Co-operative reviews its tangible and intangible assets to determine whether there is any indication of impairment or impairment reversal. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, or reversal of previously recorded impairment losses. Where it is not possible to estimate the recoverable amount of an individual asset, the Co-operative estimates the recoverable amount of the CGU to which the asset belongs. A CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs. Otherwise, corporate assets are allocated to the smallest group of CGUs for which a reasonable and consistent allocation base can be identified.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is assessed using the estimated future cash flows discounted to their present value using a pre-tax rate. Fair value less costs of disposal is the amount that would be obtained from the sale of the asset in an arm's length transaction between two knowledgeable and willing parties.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment losses been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in comprehensive income. An impairment loss in respect to goodwill is not reversed.

ii. Financial assets

The Co-operative determines impairment of financial assets measured at amortized cost using an expected credit loss model whereby a loss allowance is recorded that is either equal to the 12-month expected credit losses or, where the credit risk on that financial instrument has increased significantly since initial recognition, equal to the lifetime expected credit losses.

Evidence of an increase in credit risk includes default or delinquency by a debtor, restructuring of an amount due to the Co-operative on terms that the Co-operative would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and the disappearance of an active market due to financial difficulty. An impairment loss with respect to a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in comprehensive income. Any decrease in impairment loss is reversed through comprehensive income when an event occurring after the impairment was recognized causes the amount of impairment loss to decrease.

(l) Employee benefits

i. Defined contribution plan

The Co-operative provides a defined contribution plan to qualifying employees. This is a post-employment plan under which the Co-operative pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. The cost of the pension benefits earned by employees in the defined contribution pension plans are expensed as incurred.

ii. Defined benefit plan

The Co-operative provides a defined benefit plan to certain employees at the Consumers' Co-operative Refineries Limited (CCRL) in Regina. The cost of the benefits earned by employees is determined by a qualified actuary using the projected unit credit method based on service and management's best estimate of demographic and financial assumptions. The Co-operative accrues its obligations under the plan and the related costs, net of plan assets. The plan assets are valued at fair value and categorized within Level 2 of the fair value hierarchy. The Co-operative recognizes actuarial gains or losses immediately in other comprehensive income (OCI) which are then transferred directly to retained earnings. Changes in the present value of the defined benefit obligation resulting from plan amendments, settlements and curtailments are recognized when they occur in comprehensive income as past service costs. The defined benefit asset or liability is comprised of the present value of the defined benefit obligation and the fair value of plan assets from which the obligations are to be settled. Plan assets are measured at fair value based on the closing bid price when there is a quoted price in an active market. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the Co-operative's creditors. Defined benefit obligations are estimated by discounting expected future payments using the year-end market rate of interest for high-grade corporate debt instruments with cash flows that match the timing and amount of expected benefit payments.

iii. Retirement allowance

The Co-operative is committed to providing certain employees at the CCRL with a retirement allowance. The entitlement to these benefits is conditional on the employee remaining in service up to their retirement age. The expected cost of these benefits was estimated using management's best estimate of service years of the qualifying employees. This obligation is re-valued annually and changes are recognized in OCI.

(m) Provisions

A provision is recognized if, as a result of a past event, the Co-operative has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of future cash flows required to settle the present obligation at the balance sheet date, discounted using a risk-adjusted rate. Changes in the estimated provision or changes in the discount rate are recognized as a change in the liability.

Provisions are recognized for asset retirement obligations (ARO) associated with the participation of retail members in the Co-operative's contaminated site management program. No provision for an ARO has been accrued for the facilities at the CCRL and the Ethanol Complex as the expected timing of the reclamation activity cannot be estimated at this time. The liability is recorded in the period in which the obligation arises with a corresponding increase to the carrying value of the related asset. The liability is accreted over time as the effect of discounting unwinds; this expense is recognized as a finance cost. The costs capitalized to the related asset are depreciated in a manner consistent with the depreciation of the underlying asset. Changes in the estimated liability resulting from revisions to estimated timing of decommissioning, expected amount of cash flows or changes in the discount rate are recognized as a change in the ARO and the related asset retirement cost. Actual reclamation expenditures are charged against the provision as they are incurred.

(n) Revenue recognition

i. Sale of goods and services

Revenue is recognized when the Co-operative satisfies the performance obligations in its contracts by transferring control of a product or service to its customers. Revenue for the sale of goods is recognized upon delivery to the customer. Revenue for the sale of services is recognized when the promised service is rendered. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts and rebates. When the amount of these returns, discounts and rebates are probable and can be measured reliably, they are recognized as a reduction of revenue as the sales are recognized. The pricing of the Co-operative's sales contracts with customers are generally fixed, with the exception of energy products, which are based on market-related pricing. No significant element of financing is deemed present due to the short-term nature of the sales contracts. Due to the nature of the business, the Co-operative does not generally have warranty claims that are not passed through to the end customer.

ii. Co-op Gift Cards

The Co-operative administers all gift cards on behalf of its retail members. When a Co-op gift card is purchased by an individual customer, the Co-operative recognizes a liability in accounts payable when it receives the corresponding cash from the retail members. Upon recognition of the liability, management recognizes a percentage as income based on the historical experience of unredeemed gift cards at the time of the gift card sale. The percentage recognized as income is reviewed annually and adjusted based on changes in experience. When a Co-op gift card is redeemed, the Co-operative reduces the corresponding gift card liability and reimburses the retail member.

iii. Other income

Interest income is recognized as it accrues as other income, using the effective interest method. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received, and the Co-operative will meet the attached conditions. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant with the costs that it is intended to compensate. Government grants are recognized in other income.

(o) Income taxes

Income tax is comprised of current and deferred tax. Current and deferred tax is recognized in comprehensive income except to the extent that it relates to a business combination or is recognized directly in equity or OCI.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustments to income taxes payable in respect to previous years.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable income will be available against which they can be utilized. The carrying amount of a deferred tax asset is reviewed at each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(p) Segment reporting

An operating segment is a component of the Co-operative that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses with other operating segments. To be classified as a segment, discrete financial information must be available and operating results must be reviewed by the chief operating decision-maker.

(q) Business combinations

Business combinations are accounted for using the acquisition method of accounting, in which the identifiable net assets acquired and liabilities assumed are recognized and measured at their fair value at the acquisition date. For each business combination, the Co-operative recognizes any non-controlling interest in the acquired entity either at fair value or at the proportionate share of the acquired entity's net identifiable assets. Any excess of the purchase price for each acquisition plus any non-controlling interest in the acquired entity, over the fair value of the net identifiable assets acquired, is recognized as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in comprehensive income as a bargain purchase. Transaction costs are expensed as incurred.

Note 4 **Use of estimates and judgements**

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and judgements that affect the application of accounting policies and the reported amount of assets, liabilities, revenues, expenses, gains and losses. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Material estimates and judgements used in the preparation of the consolidated financial statements are described below.

(a) Useful lives of property, plant and equipment, and intangible assets

Property, plant and equipment, and intangible assets represent a material portion of the Co-operative's total assets. Changes in the use of the asset may cause the estimated useful lives of these assets to change. These useful lives are reviewed annually and any adjustment to depreciation or amortization is made prospectively.

(b) Recoverability of long–lived tangible and intangible assets

The Co-operative assesses each asset or CGU at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. The assessments require the use of estimates and assumptions such as long-term prices, discount rates, operating costs, future capital requirements, future viability of retail stores, decommissioning costs and operating performance. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. Judgement is required when determining what constitutes a CGU.

(c) Decommissioning and reclamation provision

Material decommissioning and reclamation activities are not undertaken until near the end of the useful life of the asset. Actual costs are uncertain and the estimate can vary as a result of changes to regulations, the emergence of new technology, operating experience, prices and reclamation plans. A significant change to the estimated costs, discount rate or useful lives of the assets may result in a material change in the amount presented on the consolidated financial statements. The liability at the reporting date represents management's best estimate of the present value of the future decommissioning costs required.

(d) Deferred tax

The Co-operative operates in a number of tax jurisdictions and is required to estimate income taxes in each of these jurisdictions in preparing its consolidated financial statements. In this calculation, consideration is given to factors such as tax rates in the different jurisdictions, non-deductible expenses, allowances, changes in tax law and management's expectations about future results. The Co-operative estimates deferred taxes based on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The effect of these differences is recorded as deferred tax assets or liabilities in the consolidated financial statements.

(e) Leases

Management applies judgement in determining whether a contract is, or contains, a lease from both a lessee and lessor perspective. This assessment is based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Key judgements include whether a contract identifies an asset (or portion of an asset), whether the lessee obtains substantially all the economic benefits of the asset over the contract term and whether the lessee has the right to direct the asset's use. Judgement is also applied in determining the interest rate used to discount the present value of fixed payments in accounting for the lease obligation and corresponding ROU asset, and in determining whether it is likely that a lease term will be extended.

(f) Pension benefits

The determination of the cost of the defined benefit pension plan reflects a number of assumptions. The valuation of these plans is prepared by an independent actuary engaged by the Co-operative. These assumptions include, but are not limited to, the discount rate, salary escalation, retirement age, termination and mortality. The discount rate is based on the yield of high-grade Canadian corporate bonds with cash flows that match the expected benefit payments. Future salary increases are based on expected long-term inflation rates and an assumption for productivity. Retirement and termination rates are based on historical plan experience. Mortality rates are based on the latest industry best practice. The assumptions are reviewed each year and are adjusted where necessary to reflect changes in plan experience and actuarial recommendations.

(g) Retirement allowance

The determination of the retirement allowance reflects a number of assumptions. The liability reflects management's best estimate of the expected future payments. Assumptions include retirement age, termination and mortality rates, and discount rates. The assumptions are reviewed annually and adjusted where necessary.

(h) Fair value of financial instruments

The fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position is derived from observable market inputs, wherever possible. If not available, fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where these level 2 inputs are not available, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments and reported expenses and income.

(i) Business combinations

The Co-operative uses judgement in applying the acquisition method of accounting for business combinations and estimates to value identifiable assets and liabilities at the acquisition date. The Co-operative may engage independent third parties to determine the fair value of property, plant and equipment, and intangible assets. Estimates are used to determine cash flow projections, including the period of future benefit, and future growth and discount rates, among other factors. The values placed on the acquired assets and liabilities assumed affect the amount of goodwill or bargain purchase recorded on an acquisition.

Note 5 New standards and interpretations adopted and not yet adopted

(a) New standards adopted

The IASB and IFRS Interpretations Committee ("IFRIC") have issued certain standards and amendments or interpretations to existing standards that were effective for the Co-operative on November 1, 2024. The transition to the accounting pronouncements listed below had no material impact on the Co-operative.

i. Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current

This amendment was issued to clarify the requirements of determining if a liability is current or non-current, depending on the existence of a substantive right to defer settlement of the liability for at least 12 months at the end of the reporting period. In addition, the amendment clarifies that covenants settled after the reporting date shall not affect the classification of the liability as current or non-current. The Co-operative has applied the updated guidance in classifying liabilities as current and non-current after November 1, 2024. The adoption of this amendment had no material impact on the Co-operative.

ii. Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

This amendment was issued to provide guidance on the measurement of a right-of-use asset and corresponding lease liability in a sale and leaseback transaction where lease payments are variable. The amendment clarifies that on initial recognition, the seller-lessee will include variable lease payments in the measurement of its lease liability. Following initial recognition, the seller-lessee will apply the general requirements for subsequent accounting of the lease liability, where no gain or loss relating to the right-of-use asset is recognized. The Co-operative has applied the updated guidance on accounting for a lease liability in a sale and leaseback transaction after November 1, 2024. The adoption of this amendment had no material impact on the Co-operative.

iii. Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

This amendment was issued to introduce the disclosure of qualitative and quantitative information about supplier finance arrangements, including the effects of these arrangements on the company's liabilities, cash flows and the exposure to liquidity risk. The Co-operative has applied the guidance for disclosing supplier finance arrangements after November 1, 2024. The adoption of this amendment had no material impact on the Co-operative.

(b) New standards and interpretations not yet adopted

The IASB has issued the following standards that were not yet effective as at October 31, 2025.

i. Amendments to IAS 21 – Lack of Exchangeability

This amendment provides guidance on accounting for exchange rates that are not directly observable. The amendment assists in determining whether a currency is exchangeable, and if not, provides the framework to determine the spot exchange rate at the measurement date. Additional disclosures are required for estimated exchange rates. This amendment will be in effect for the Co-operative on November 1, 2025. The Co-operative is evaluating the impact, if any, of the amendment.

ii. Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

This amendment provides guidance on the requirements related to the date of recognition and derecognition of financial assets and the settlement of financial liabilities through electronic payments. The amendment further clarifies the classification of financial assets with environmental, social and governance and other similarly linked features. Additional disclosures were also introduced for financial assets and liabilities that are not directly related to basic lending risks. This amendment will be in effect for the Co-operative on November 1, 2026. The Co-operative is evaluating the impact, if any, of the amendment.

iii. IFRS 18 – Presentation and Disclosure in Financial Statements

This standard is a comprehensive new accounting standard on presentation and disclosure in financial statements, which will replace the disclosure requirements set forth under IAS 1 *Presentation of Financial Statements*. IFRS 18 will introduce new reporting and disclosure requirements, which include but are not limited to, the presentation of defined subtotals in the consolidated statement of comprehensive income, disclosures on management-defined performance measures and improvements to aggregation and disaggregation. This standard will be in effect for the Co-operative on November 1, 2027. The Co-operative is evaluating the impact of the new standard.

Note 6 **Inventories**

	2025	2024
Manufactured product	**552**	549
Goods purchased for resale	**459**	472
Parts and supplies	**85**	68
	1,096	1,089

In 2025, write-downs of inventory to net realizable value amounted to $8 (2024 - $3) and were included in cost of products sold.

Note 7 **Investments and advances**

	2025	2024
Investments:		
CHS Inc.	**11**	9
Interprovincial Cooperative Limited	**4**	4
The Co-operators Group Limited	**2**	2
Other	**1**	1
Advances:		
Retail lending program	**581**	484
Other agreements	**5**	5
	604	505
Less: current portion	**(270)**	(202)
	334	303

The interest rate related to the retail lending program is based on the prime rate and payments are expected to be received in the next one to 20 years.

Note 8 **Property, plant and equipment**

	2025	2024
Manufacturing	**2,347**	2,484
Wholesaling	**717**	704
Assets under construction	**205**	224
Net book value	**3,269**	3,412

	Land and buildings	Equipment and fixtures	Assets under construction	Right-of-use assets	Total
Cost					
At October 31, 2023	694	7,019	325	76	8,114
Additions	11	230	135	9	385
Disposals	(16)	(204)	-	(20)	(240)
Transfers	15	113	(128)	-	-
Changes in ARO estimates	17	-	-	-	17
At October 31, 2024	721	7,158	332	65	8,276
Additions	25	88	161	44	318
Disposals	(34)	(150)	-	(6)	(190)
Transfers	18	129	(156)	-	(9)
Acquisitions	22	8	-	5	35
Changes in ARO estimates	12	-	-	-	12
At October 31, 2025	764	7,233	337	108	8,442
Accumulated depreciation					
At October 31, 2023	218	4,319	28	31	4,596
Depreciation	21	385	-	9	415
Disposals	(10)	(204)	-	(16)	(230)
Impairment losses	3	-	80	-	83
At October 31, 2024	232	4,500	108	24	4,864
Depreciation	17	392	-	13	422
Disposals	(7)	(137)	-	(5)	(149)
Impairment losses	4	8	24	-	36
At October 31, 2025	246	4,763	132	32	5,173
Net book value at October 31, 2025	**518**	**2,470**	**205**	**76**	**3,269**
Net book value at October 31, 2024	489	2,658	224	41	3,412

Capitalized borrowing costs

Capitalized borrowing costs related to property, plant and equipment amounted to $2 (2024 - $3), with a capitalization rate of 3% (2024 - 4%).

2025 Acquisition

On March 14, 2025, the Co-operative purchased 100% of the outstanding shares of Coldstar Holdings Inc., a transportation and wholesaler in Western Canada, to support food sales in the Co-operative Retailing System. The total cash consideration paid for the outstanding shares was $28. This purchase met the definition of a business combination and was accounted for as such.

The following table summarizes the allocation of the purchase price to the fair value of the net assets acquired:

	2025
Cash consideration transferred	28
The fair value of assets acquired and liabilities assumed are as follows:	
Non-members accounts receivable	5
Inventories	3
Property, plant and equipment	30
ROU assets	5
Intangible assets	9
Accounts payable	(4)
Short-term debt	(1)
Long-term debt	(6)
Lease obligations	(5)
Deferred tax liability	(8)
Total net identifiable assets	28

The Co-operative incurred acquisition costs of $1 relating to external legal fees and due diligence costs. These costs have been expensed in the consolidated statements of comprehensive income.

Subsequent to the Co-operative's purchase of the outstanding shares of Coldstar Holdings Inc., the Co-operative separately settled the outstanding debt of Coldstar Holdings Inc. for cash consideration of $7.

Impairment testing of other non-current assets

In 2025, the Co-operative recognized impairment of $4 (2024 - $1) on asset retirement costs in the Energy and Ag Solutions segments, due to vacant sites that have no value in use.

The Co-operative has undertaken a number of projects to reduce the carbon intensity of fuel produced in the Energy segment. In 2025, it was determined that $21 (2024 - $38) of these development costs will not be recovered.

During the year, it was determined that $1 (2024 - $42) of Technology development costs will not be recovered. This impairment cost is administrative in nature and is allocated to all reportable segments.

In 2025, the Co-operative determined that the carrying amount of certain long-lived assets in the Ag Solutions segment exceeded the recoverable amount, resulting in an impairment of $6 (2024 - $2). In addition, the Co-operative determined that the carrying amount of certain long-lived assets in the Food segment exceeded the recoverable amount, resulting in an impairment of $4 (2024 - $nil).

Note 9 **Investment property**

	2025	2024
Cost		
Balance, beginning of year	**51**	50
Additions	**-**	2
Disposals	**-**	(1)
Balance, end of year	**51**	51
Accumulated depreciation		
Balance, beginning of year	**19**	19
Depreciation	**1**	1
Disposals	**-**	(1)
Balance, end of year	**20**	19
Net book value, end of year	**31**	32

Net rental income from investment properties recognized in other income was $10 (2024 - $10).

The fair value of investment properties at October 31, 2025 was $59 (2024 - $57). This recurring fair value measurement is categorized within Level 3 of the fair value hierarchy. The fair value of investment properties was determined using the appraisal value when available or a discounted cash flow of the future lease payments on the investment properties. No independent valuation was performed on any of the investment properties.

Note 10 **Intangible assets**

	Energy supply agreements	Ag and consumer business supply agreements	Emission credits	Goodwill	Total
Cost					
At October 31, 2023	182	256	-	3	441
Additions[1]	6	13	63	-	82
Disposals	(2)	-	-	-	(2)
At October 31, 2024	186	269	63	3	521
Additions[1]	7	1	112	-	120
Acquisitions (Note 8)	-	9	-	-	9
Disposals	(1)	(2)	(87)	-	(90)
Impairment	-	-	-	(3)	(3)
At October 31, 2025	192	277	88	-	557
Accumulated amortization					
At October 31, 2023	34	95	-	-	129
Amortization	13	7	-	-	20
Disposals	(2)	-	-	-	(2)
At October 31, 2024	45	102	-	-	147
Amortization	13	8	-	-	21
Impairment	-	2	-	-	2
Disposals	(1)	(2)	-	-	(3)
At October 31, 2025	57	110	-	-	167
Net book value at October 31, 2025	**135**	**167**	**88**	**-**	**390**
Net book value at October 31, 2024	141	167	63	3	374

[1]The accruals for supply agreements were $31 (2024 - $49). This is a non-cash decrease to the accrual of $18 (2024 - $16) in the year.

Impairment

In 2025, the Co-operative recognized an impairment loss of $2 (2024 - $nil) in the Food segment. The impairment loss relates to the termination of supply agreements in certain retail stores.

The Co-operative recognized a goodwill impairment of $3 (2024 - $nil) in the Ag Solutions segment due to the sale of the corresponding cash generating assets.

Note 11 **Borrowing**

The Co-operative's borrowings are measured at amortized cost.

	2025	2024
Members' funds	**516**	703
Long-term debt (less net unamortized debt issuance costs)	**-**	300
Total borrowing	**516**	**1,003**

Bank indebtedness

Bank indebtedness consists of an unsecured revolving credit facility, with a maturity date of February 19, 2026. The Co-operative can draw on the credit facility to a maximum of $150. As at October 31, 2025, no amount was drawn under the credit facility (2024 - $nil).

Financial covenants associated with the Co-operative's syndicated credit facility are reviewed regularly and controls are in place to maintain compliance with the covenants. The Co-operative has complied with all financial covenants for the year ended October 31, 2025 and October 31, 2024.

Members' funds

	2025	2024
Balance, beginning of year	**703**	599
Proceeds	**5,838**	5,705
Repayments	**(6,025)**	(5,601)
Balance, end of year	**516**	703

Members' funds accumulate interest at a rate of prime less 1.1% (2024 - prime less 1.1%) and are repayable on demand. Interest accrued on members' funds as at October 31, 2025 was $20 (2024 - $32).

Long-term debt

In June 2015, the Co-operative issued unsecured Series 2015-1 notes, bearing interest at 3.92%, for gross proceeds of $300. In 2025, the Series 2015-1 notes matured and were repaid at par for a total cash outflow of $300.

Note 12 **Asset retirement obligations**

The Co-operative's decommissioning liabilities consist of reclamation and closure costs. The obligations were determined using an inflation rate of 2% (2024 - 2%) and discount rate of 5% (2024 - 5%). The Co-operative estimates the total undiscounted payments of future obligations to be $203 (2024 - $201) which will be incurred over the next one to 30 years.

While the provision is based on the best estimate of future costs, discount rates and the economic lives of the underlying assets, there is uncertainty regarding the amount and timing of these costs.

	2025	2024
Balance, beginning of year	**121**	108
Additions	**4**	1
Disposals	**(1)**	-
Settlement of asset retirement obligations	**(10)**	(10)
Change in estimate and discount rates	**9**	16
Accretion expense (Note 18)	**6**	6
Balance, end of year	**129**	121

Note 13 **Members' share capital**

The Co-operative is authorized to issue an unlimited number of member shares of $100 (in dollars) par value each. Under certain circumstances, and with the approval of the Board of Directors, member shares may be redeemed at par value.

(Thousands of shares)	**2025**	2024
Balance, beginning of year	**20,587**	21,304
Shares issued for current year's patronage allocation	**2,613**	2,516
Shares redeemed	**(2,290)**	(3,233)
Balance, end of year	**20,910**	20,587

Note 14 **Pension liability**

	2025	2024
Defined benefit plan asset	**(36)**	(38)
Retirement allowance	**53**	61
	17	23

(a) Defined contribution plan

The Co-operative provides a defined contribution plan, with expenses charged to comprehensive income for services rendered by employees during the year. With this plan, the Co-operative and the majority of its employees make contributions to one multi-employer defined contribution plan. The Co-operative's total expense for these plans in 2025 was $21 (2024 - $20).

(b) Defined benefit plan

The defined benefit plan covers certain non-management employees at the CCRL in Regina. The plan provides pensions based on the number of years in service and the average of the best three years earnings. Employees are required to contribute 7% of pensionable earnings to the plan.

The costs of the Co-operative's defined benefit plan are determined periodically by independent actuaries, with results as of December 31, 2022 and extrapolated to October 31, 2025. The costs charged to comprehensive income for the year include the costs for benefits provided for services rendered during the year, using the projected unit credit method pro-rated on services. Actuarial gains or losses are recognized in OCI as incurred.

A reconciliation of the funded status of the benefits plan to the consolidated financial statements is as follows:

	2025	2024
Plan assets		
Fair value, beginning of year	**365**	308
Employee contributions	**2**	3
Benefits paid	**(11)**	(11)
Expected return on plan assets	**17**	17
Actuarial gains	**23**	48
Fair value, end of year	**396**	365
Accrued benefit obligation		
Balance, beginning of year	**313**	268
Employee contributions	**2**	3
Current service cost	**4**	3
Interest cost	**15**	15
Benefits paid	**(11)**	(11)
Remeasurement losses	**-**	35
Balance, end of year	**323**	313
Funded status	**73**	52
Effect of asset ceiling		
Balance, beginning of year	**(14)**	(9)
Interest income	**(1)**	-
Remeasurement losses	**(22)**	(5)
Balance, end of year	**(37)**	(14)
Net pension asset	**36**	38

The actual return on plan assets for the year ended October 31, 2025 was a gain of $40 (2024 - $65).

The total actuarial gain recognized in OCI net of tax in 2025 was $1 (2024 - $6). Total actuarial gains and losses are not reclassified to comprehensive income.

The expense recognized for the defined benefit plan is as follows:

	2025	2024
Current service cost	**4**	3
Interest on accrued benefit obligation	**15**	15
Expected return on plan assets	**(17)**	(17)
Interest on the effect of asset ceiling	**1**	-
Total	**3**	1

Actuarial assumptions

The cost of the Co-operative's defined benefit plan is determined periodically by independent actuaries, using the projected unit credit method of valuation. The significant actuarial assumptions were as follows:

	2025	2024
Discount rate – obligation	**4.80%**	4.80%
Discount rate – expense	**4.80%**	5.60%
Rate of compensation increase	**3.00%**	3.00%

The discount rate to be used in the determination of the pension cost is to be based on the yield at the beginning of the year on high-grade corporate bonds of similar duration to the plan's liabilities.

Expected return on plan assets is the expected long-term rate of return on plan assets for the year and is based on plan assets at the beginning of the year that have been adjusted on a weighted average basis for contributions and benefit payments expected for that year.

The composition of the defined benefit pension plan assets as at October 31 was as follows:

	2025	2024
Equity instruments	**62%**	62%
Fixed income securities	**36%**	37%
Money market	**2%**	1%
Total	**100%**	100%

The Co-operative made cash contributions to its defined benefit pension plan in 2025 of $nil due to a contribution holiday that has arisen in order to comply with requirements of the *Income Tax Act*. Due to the continuation of the contribution holiday, the Co-operative expects to make cash contributions of $nil in 2026.

(c) Retirement allowance

The entitlement to this benefit is conditional on the employee remaining in service up to their retirement age. This allowance is treated like a defined benefit obligation for accounting purposes. Assumptions that influence the calculation of the obligation are the ages of the employees included in the allowance, their likelihood to still be employed at the CCRL at retirement and the discount rate used. The allowance is not impacted by changes in salaries as these were fixed at the time of the settlement of the previous defined benefit obligation.

	2025	2024
Accrued benefit obligation		
Balance, beginning of year	**61**	55
Past service cost	**(4)**	(2)
Remeasurement (gains) losses	**(4)**	8
Balance, end of year	**53**	61

The total actuarial gain recognized in OCI net of tax in 2025 was $2 (2024 - loss of $6). Total actuarial gains and losses are not reclassified to comprehensive income.

Actuarial assumptions

The present value of the retirement allowance was discounted at 4.80% (2024 - 4.80%). The Co-operative expects to make cash payments against its retirement allowance in 2026 up to a maximum of $11.

(d) Actuarial sensitivities

The sensitivity of the defined benefit obligation to changes in relevant actuarial assumptions is:

	2025	2024
(Decrease) increase in defined benefit obligation		
Discount rate		
1% increase	**(48)**	(46)
1% decrease	**63**	60
Rate of compensation increase		
1% increase	**12**	11
1% decrease	**(10)**	(9)

The sensitivity analysis provided in the table above is hypothetical and should be used with caution. The sensitivities of each key assumption have been calculated independent of any changes in other key assumptions. Actual experience may result in changes in a number of key assumptions simultaneously. Changes in one factor may result in changes in another, which could amplify or reduce the impact of such assumptions.

Note 15 **Other (income) expenses**

	2025	2024
Interest income	**(127)**	(173)
Rental income (Note 9)	**(10)**	(10)
Loss on disposal of property, plant and equipment	**-**	1
Other miscellaneous	**(5)**	27
	(142)	(155)

Note 16 **Expenses by nature**

	2025	2024
Changes in inventory	**9,562**	9,972
Personnel expenses (Note 17)	**525**	477
Depreciation and amortization (Note 8, 9, 10)	**444**	436
Other expenses	**508**	492
Loyalty payments	**199**	198
Impairment losses (Note 8, 10)	**41**	83
Finance costs (Note 18)	**36**	50
	11,315	11,708

Loyalty payments

On November 1, 2019, the Co-operative entered into agreements with the majority of its retail members related to a loyalty payment which provides its retail members more timely cash flows. Provided the retail member uses the Co-operative's centralized services and purchases from the Co-operative 90% or more of their goods for resale that the Co-operative supplies, the Co-operative pays a quarterly amount calculated on a formula based on litres of fuel purchased at an established rate per litre. The amount per litre may vary year to year.

Expenses by nature reconcile to the consolidated statements of comprehensive income as follows:

	2025	2024
Cost of products sold	**10,358**	10,690
Operating and administration expenses	**681**	687
Loyalty payments	**199**	198
Impairment losses (Note 8, 10)	**41**	83
Finance costs (Note 18)	**36**	50
	11,315	11,708

Note 17 **Personnel expenses**

The following personnel expenses are included in cost of products sold and operating and administration expenses:

	2025	2024
Wages and salaries	**455**	413
Statutory and other company benefits	**46**	43
Expenses related to defined contribution plan (Note 14)	**21**	20
Expenses related to defined benefit plan (Note 14)	**3**	1
	525	477

In 2025, $184 (2024 - $169) of personnel expenses were included in cost of products sold and $341 (2024 - $308) were included in operating and administration expenses.

Note 18 **Finance costs**

	2025	2024
Interest expenses	**27**	42
Accretion of asset retirement obligations (Note 12)	**6**	6
Interest expense on lease obligations (Note 19)	**3**	2
	36	50

Note 19 **Leases**

The Co-operative as lessor

The Co-operative is party to a number of leases involving its investment properties including land, building/store facilities, gas bars, and propane tanks.

Payments received under these operating leases are recognized in other income with net rental income totaling $10 (2024 - $10) for the year ended October 31, 2025. Of this operating lease income recognized, $5 (2024 - $4) was contingent income based on gross sales and/or fuel sales of the lessee.

The investment property leases have lease terms between one and 25 years. Substantially all of these leases have renewal options for additional terms based on market rates. There is no option to purchase the property at the end of the lease term.

The future minimum lease receipts of the operating leases are:

< 1 year	1-5 years	> 5 years	Total
4	12	22	38

The Co-operative as lessee

The Co-operative leases railcars, land, buildings and equipment with lease payments in 2025 of $14 (2024 - $9). The current portion of lease obligations are included in accounts payable. Lease terms are between one and 20 years with renewal options available at market rates.

Lease obligations are as follows:

	Railcars	Land and buildings	Others	Total
At October 31, 2023	26	19	3	48
Additions	8	1	-	9
Terminations	(4)	(1)	-	(5)
Lease payments	(6)	(2)	(1)	(9)
Interest expense	1	1	-	2
At October 31, 2024	25	18	2	45
Additions	39	5	-	44
Acquisitions	-	5	-	5
Lease payments	(11)	(2)	(1)	(14)
Interest expense	2	1	-	3
Lease obligations	55	27	1	83
Less: current portion	(9)	(2)	(1)	(12)
At October 31, 2025	**46**	**25**	**-**	**71**

The future minimum lease payments for these leases are as follows:

	< 1 year	1-5 years	> 5 years	Total
Railcars	12	37	17	66
Land and buildings	4	13	16	33
Others	1	1	-	2
Total	17	51	33	101

Note 20 **Corporate income taxes**

The Co-operative's effective tax rate is determined as follows:

	2025	2024
Net income before tax	**519**	310
Patronage allocation	**(261)**	(252)
Net income before tax less patronage allocation	**258**	58
Combined federal and provincial income tax rate[1]	**27.00%**	27.00%
Computed tax expense based on the combined rate	**70**	16
(Decrease) increase resulting from:		
Manufacturing and processing tax rate reduction	**(10)**	(5)
Rate differential in different provinces	**(2)**	2
Other non-taxable/non-deductible items	**(1)**	-
Provision for income taxes	**57**	13
Effective rate on net income before tax less patronage allocation	**22.09%**	22.41%
Classified in the consolidated statements of comprehensive income as:		
Income taxes – current	**173**	179
Income taxes – deferred	**(116)**	(166)
Provision for income taxes	**57**	13

[1]There was no significant change in the combined federal and provincial income tax rates.

In respect of each type of temporary difference, unused tax losses and unused tax credits, the amounts of deferred tax assets and liabilities recognized in the consolidated statements of financial position at October 31 and the amount of deferred tax expense recognized in comprehensive income and OCI were:

	October 31, 2024	**Deferred tax in comprehensive income**	**Deferred tax in OCI**	**October 31, 2025**
Non-capital loss and deductible patronage allocation carry forwards	7	47	-	**54**
Miscellaneous accruals and reserves	50	8	(1)	**57**
Net book value in excess of undepreciated capital cost	(623)	47	-	**(576)**
Patronage allocations deferred for income tax purposes	(52)	6	-	**(46)**
Net deferred tax liability	(618)	108	(1)	**(511)**

Classified in the consolidated financial statements as:

	2025	2024
Deferred tax assets	**10**	5
Deferred tax liabilities	**(521)**	(623)
Net deferred tax liability	**(511)**	(618)

Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related benefit through future taxable profits is probable. The Co-operative has determined that all recognized deferred tax assets will be realized through a combination of future reversals of temporary differences and taxable income prior to their date of expiration.

As at October 31, 2025, the Co-operative has non-capital losses available to offset income for tax purposes of $24 which expire in 2034 - 2045 (2024 - $27 which expire in 2039 - 2044).

In 2025, deferred tax liabilities of $8 arose through the acquisition of Coldstar Holdings Inc.

Note 21 **Commitments and contingencies**

A commitment is an enforceable and legally binding agreement to make a payment in the future for the purchase of goods or services. At October 31, 2025, the Co-operative has commitments that require the following minimum future payments which are not accrued for in the consolidated statements of financial position.

	< 1 year	1-5 years	> 5 years	Total
Purchase commitments	95	73	97	265
Contractual commitments for supply agreements	2	-	-	2
Other commitments	1	2	2	5
Total	**98**	**75**	**99**	**272**

In the normal course of operations, the Co-operative is subject to various claims and lawsuits on occasion. While it is not possible to determine the ultimate outcome of such actions at this time, it is management's opinion that the final resolution of such matters will not have a material adverse effect on the Co-operative's financial condition or results of operations.

Note 22 **Financial instruments and risk management**

The Co-operative is exposed to financial risks from its financial instruments comprising liquidity, credit and market risk. The Co-operative employs risk management strategies and policies to ensure these risks are in compliance with the Co-operative's strategy and risk tolerance levels. This note presents information about the Co-operative's exposure to the related risks and the objectives, policies and processes for measuring and managing risk.

(a) Credit risk

Credit risk is the risk that a customer or counterparty will fail to perform an obligation or fail to pay amounts due, causing a financial loss. The Co-operative's credit policy is designed to ensure that there is a standard credit practice throughout the Co-operative to measure and monitor credit risk. The policy outlines delegation of authority, the due diligence process required to approve a new customer and the maximum amount of credit exposure per single entity. Before transactions begin with a new customer or counterparty, their creditworthiness is assessed and a maximum credit limit is allocated. The assessment process is outlined in the credit policy and considers both quantitative and qualitative factors. The Co-operative constantly monitors the exposure to any single customer along with the financial position of the customer. If it is deemed that a customer's credit risk has increased, the Co-operative will work to reduce the credit exposure and lower the credit limit allocated. Regular reports are generated to monitor credit risk. A substantial portion of the Co-operative's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risk. The carrying amount of cash and cash equivalents, short-term investments, accounts receivable and investments and advances represent the Co-operative's maximum credit exposure.

The Co-operative's accounts receivable was aged as follows:

	2025		2024	
	Members	**Non-members**	Members	Non-members
Current	**1,316**	**466**	1,543	541
Past due (1-30 days)	**24**	**1**	39	4
Past due (31-60 days)	**1**	**3**	2	1
Past due (more than 60 days)	**2**	**1**	2	4
Allowance for doubtful accounts	**-**	**(9)**	-	(8)
Total accounts receivable	**1,343**	**462**	1,586	542

The loss allowance for non-members accounts receivable is calculated using the expected lifetime credit loss and recorded at the time of initial recognition. Current economic conditions, customer history, why the accounts are past due and the accounts' industry are all considered when determining whether past due accounts should be allowed for or written-off. The allowance for doubtful accounts is calculated on a specific-identification basis for high risk accounts receivables and on a statistically-derived allowance basis for the remainder. The balance in allowance for doubtful accounts as at October 31, 2025, was $9 (2024 - $8).

(b) Liquidity risk

Liquidity risk is the risk that the Co-operative will not be able to meet its financial obligations when they come due. The Co-operative manages its liquidity risk by ensuring an optimal capital structure is in place that provides financial flexibility and access to capital needed to fund strategic priorities, while ensuring commitments and obligations can be met in a cost-effective manner. The following policies and processes are in place to mitigate this risk:

- Maintain an optimal capital structure that reflects the Co-operative's strategy
- Forecast free cash flow from operations and spending requirements to allow the Co-operative to maintain sufficient cash and credit facilities to meet these future requirements
- Maintain a balance sheet that meets investment grade rating metrics which allows ease of access to debt
- Maintain sufficient short-term credit availability
- Maintain long-term relationships with lenders
- Invest surplus cash based on the Co-operative's investment policies that ensures investments are in a range of short-term dated money market securities. Investments are only permitted with high quality securities

The table below outlines the Co-operative's available debt facilities as of October 31, 2025:

	Total amount	Outstanding	Available
Credit Facility	150	-	150

The Co-operative has contractual commitments to purchase certain services, for its intangible assets, and other commitments as described in Note 21.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	On demand	< 1 year	1-5 years	> 5 years
As at October 31, 2025						
Accounts payable	1,272	1,272	-	1,272	-	-
Members' funds	516	516	516	-	-	-
As at October 31, 2024						
Accounts payable	1,381	1,381	-	1,381	-	-
Members' funds	703	703	703	-	-	-
Long-term debt[1]	300	312	-	312	-	-

[1]Contractual cash flows include contractual interest payments related to debt obligations.

(c) Market risk

Market risk is the risk of uncertainty arising from possible market price movements and their impact on the future performance of the Co-operative. Market price movements could adversely affect the value of the Co-operative's financial assets, liabilities and expected future cash flows. The Co-operative is exposed to a number of different market risks comprising foreign currency risk, interest rate risk and price risk.

The Co-operative uses derivative financial instruments to manage its exposure to cash flow variability from commodity prices and fluctuating foreign currency exchange rates. The Co-operative does not apply hedge accounting to any of its derivative financial instruments. As a result, gains or losses from changes in the fair value are recognized in the consolidated statements of comprehensive income.

i. Foreign currency risk

The Co-operative is exposed to foreign currency risk primarily relating to revenues, capital and operating expenditures that are denominated in a currency other than Canadian dollars. As at October 31, 2025, the carrying amount of financial instruments measured in foreign currency includes cash (US $10), accounts receivable (US $8) and lease obligations (US $41). The Co-operative is not exposed to material foreign exchange risk on its consolidated financial statements.

At times the Co-operative will hedge forecasted foreign currency denominated operating and capital exposure through the use of forward currency contracts. No such contracts were outstanding at October 31, 2025. Any foreign currency forward contracts entered into are not designated as hedging instruments for accounting purposes. A 1% strengthening in the exchange rates on commodity contracts would result in a foreign exchange gain of $nil (2024 - $nil). A 1% decrease would have an equal but opposite effect.

ii. Interest rate risk

Fluctuations in interest rates impact the future cash flows and fair values of various financial instruments. This exposure is managed by monitoring forecasted borrowing requirements and monitoring market changes in interest rates.

Financial assets bearing variable interest rate exposure are cash and cash equivalents and short-term investments. Short-term investments are invested in short-term, high-quality securities. The primary objective is to ensure liquidity and preservation of principal while achieving a satisfactory return portfolio. Financial liabilities bearing interest rate exposure are bank indebtedness and members' funds. The Co-operative determined that a 1% increase in the interest rate would result in an increase of $23 (2024 - $22) in interest income. A 1% decrease would have an equal but opposite effect.

iii. Commodity price risk

Commodity price risk arises from fluctuations in future commodity prices, including crude oil, natural gas and refined products, and may have an effect on comprehensive income and future cash flows. To partially mitigate exposure to commodity price risk, the Co-operative uses commodity derivative financial instruments, such as swap contracts, to manage exposure to price volatility associated with the purchase of natural gas. The Co-operative is exposed to commodity price risk on its derivative financial instruments. The sensitivity analysis is calculated with reference to period-end balances. For the purpose of the sensitivity analysis, the effect of a variation in a particular assumption on the fair value of the financial instrument was calculated independently of any change in another assumption. Based on the Co-operative's contract position at October 31, 2025, a 10% strengthening in natural gas commodity prices would result in a $4 gain (2024 - $3 gain). A 10% decrease would have an equal but opposite effect.

(d) Classification and fair values of financial assets and liabilities

The classification and fair values of financial assets and liabilities, along with carrying amounts are as follows:

	Fair value through profit or loss	Amortized cost	Total carrying amount
As at October 31, 2025			
Cash and cash equivalents	482	-	482
Short-term investments	1,719	-	1,719
Members accounts receivable	-	1,343	1,343
Non-members accounts receivable[1]	1	461	462
Investments and advances	-	604	604
Total assets	2,202	2,408	4,610
Accounts payable	-	1,272	1,272
Members' funds	-	516	516
Total liabilities	-	1,788	1,788

[1]Includes fair value of derivative financial instruments related to the Energy segment.

	Fair value through profit or loss	Amortized cost	Total carrying amount
As at October 31, 2024			
Cash and cash equivalents	471	-	471
Short-term investments	1,874	-	1,874
Members accounts receivable	-	1,586	1,586
Non-members accounts receivable	-	542	542
Investments and advances	-	505	505
Total assets	2,345	2,633	4,978
Accounts payable[1]	9	1,372	1,381
Members' funds	-	703	703
Long-term debt	-	300	300
Total liabilities	9	2,375	2,384

[1]Includes fair value of derivative financial instruments related to the Energy segment.

Fair value hierarchy

Except as otherwise disclosed, the fair market value of the Co-operative's financial assets and liabilities approximates the carrying amount as a result of the short-term nature of the instruments or the interest rate being similar to market rates.

The following table presents the Co-operative's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis or measured at amortized cost and require fair value disclosure:

	Level 1	Level 2	Level 3	Total
As at October 31, 2025				
Fair value on a recurring basis				
Non-members accounts receivable[1]	-	1	-	1
Amortized cost				
Investments and advances	-	604	-	604
Total assets	-	605	-	605

[1]Represents fair value of derivative financial instruments related to the Energy segment.

	Level 1	Level 2	Level 3	Total
As at October 31, 2024				
Amortized cost				
Investments and advances	-	505	-	505
Total assets	-	505	-	505
Fair value on a recurring basis				
Accounts payable[1]	-	9	-	9
Total liabilities	-	9	-	9

[1]Represents fair value of derivative financial instruments related to the Energy segment.

(e) Risk management contracts

Derivative contracts are used principally as hedging instruments to fix commodities' input costs (the purchase of natural gas). Because hedge accounting is not applied, gains or losses related to derivatives are recorded in the consolidated statements of comprehensive income. A realized loss of $13 (2024 - $16) and an unrealized gain of $10 (2024 loss - $5) have been recognized in 2025. All contracts are settled on a net basis and the majority mature within a one-year period. The carrying amount of derivative contracts at October 31, 2025 included with accounts receivable is the fair value of $1 (2024 - $nil) and derivative contracts included with accounts payable is the fair value of $nil (2024 - $9) which are derived from quoted market prices.

The following table summarizes the fair value of derivatives and classification on the consolidated statements of financial position:

	2025	2024
Natural gas contracts	**1**	(9)
Total	**1**	(9)

The following table summarizes the different components of the gains (losses) on risk management contracts included in net income:

	2025	2024
Crude oil contracts	**-**	(14)
Crude differential contracts	**-**	1
Diesel contracts	**-**	14
Gasoline contracts	**-**	2
Natural gas contracts	**(3)**	(24)
Total	**(3)**	(21)

Note 23 **Capital structure framework**

The objectives of the Co-operative's capital structure framework are to:

- maintain a balance sheet that supports an investment grade rating profile,
- provide access to cost effective capital required to support the Co-operative's growth strategy,
- provide financial flexibility and the ability to withstand unexpected stress, and
- be easily understood by stakeholders and comparable to other entities.

The Co-operative's capital structure consists of bank indebtedness, members' funds, long-term debt and members' equity, net of cash and cash equivalents and short-term investments. The calculation is set out in the following table:

	2025	2024
Members' funds	**516**	703
Long-term debt	**-**	300
Total debt	**516**	1,003
Less: cash and cash equivalents	**(482)**	(471)
Less: short-term investments	**(1,719)**	(1,874)
Net cash and cash equivalents and short-term investments	**(1,685)**	(1,342)
Members' equity	**6,825**	6,589
Non-controlling interest	**-**	7
Capital under management	**5,140**	5,254

The Co-operative's capital is monitored through the equity to asset ratio, the net debt to net debt plus members' equity ratio, the net debt to cash flow from operations ratio and the net debt to earnings before interest, taxes, depreciation and amortization. Due to the cyclical nature of the business environment, various situations can arise where the ratios fall outside of the Co-operative's targets. The Co-operative monitors the capital structure and may take actions such as adjusting capital spending, repaying debt and managing its members' equity in order to achieve the stated objectives.

Note 24 **Related party transactions**

Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Co-operative, directly or indirectly. Key management personnel of the Co-operative include all members of the Senior Leadership Team and the Board of Directors.

In addition to their salaries and employee benefits, the Co-operative provides a post-employment benefit plan for the Senior Leadership Team.

Key management personnel compensation comprised the following:

	2025	2024
Short-term salary and employee benefits	**9**	9
Post-employment benefits	**1**	1
Total	**10**	10

Notes to the Consolidated Financial Statements

For the years ended October 31, 2025 and 2024 (in millions of Canadian dollars except as noted)

Note 25 **Group entities**

Outlined in the table below is a list of the Co-operative's significant subsidiaries:

Name of subsidiary	Principal activity	Country of incorporation and operation	Ownership interest **2025**	2024
Consumers' Co-operative Refineries Limited (CCRL)	Manufactures and supplies petroleum	Canada	**100%**	100%
Crestere Investments Limited	Holds investments	Canada	**100%**	100%
FCL Ventures Ltd.	Holds investment property	Canada	**100%**	100%
102078290 Saskatchewan Ltd.	Manufactures and supplies ethanol	Canada	**100%**	100%
2214896 Alberta Ltd.	Operated oil and gas assets	Canada	**100%**	100%
FCL Support Services Co-operative	Central fill pharmacy services	Canada	**100%**	100%
Red Shield Insurance Ltd.	Captive insurance	Canada	**100%**	100%
Red Shield Insurance Ltd.	Captive insurance	Barbados	**100%**	100%
Blair's Crop Solutions (2020) Inc.	Supplies crop, fertilizer and farm related products	Canada	**100%**	80%
Coldstar Holdings Inc.	Wholesaling and transportation	Canada	**100%**	N/A
Coldstar Solutions Inc.	Wholesaling and transportation	Canada	**100%**	N/A
Coldstar Properties Inc.	Holds warehouse property	Canada	**100%**	N/A

In 2025, the Co-operative acquired the remaining ownership share in Blair's Crop Solutions (2020) Inc. on December 31, 2024, for a total cash consideration of $7.

Note 26 **Operating segments**

The Co-operative has four reportable segments, which are the Co-operative's strategic business units (SBUs). These SBUs offer different products and services and are managed separately as they have different processes and marketing strategies. The following summary describes the operations of each SBU:

- Ag Solutions: includes purchasing, manufacturing and distribution of crop, fertilizer, animal feed and farm related products
- Food: includes purchasing and distribution of food and pharmacy products on a wholesale and retail basis
- Home and Building Solutions: includes purchasing and distribution of home and building supplies on a wholesale basis
- Energy: includes refining, manufacturing, distribution and marketing of petroleum and ethanol products

		Sales	Depreciation and amortization	Interest income	Finance costs	Income taxes	Net income
Ag Solutions	**2025**	**1,988**	**9**	**8**	**3**	**4**	**28**
	2024	1,991	11	20	6	2	52
Food	**2025**	**2,481**	**20**	**12**	**3**	**5**	**50**
	2024	2,258	17	17	4	1	32
Home and Building	**2025**	**406**	**5**	**3**	**1**	**2**	**13**
Solutions	2024	380	6	4	1	-	7
Energy	**2025**	**6,820**	**410**	**104**	**29**	**46**	**371**
	2024	7,255	402	132	39	10	206
Total	**2025**	**11,695**	**444**	**127**	**36**	**57**	**462**
	2024	11,884	436	173	50	13	297

Note 27 **Subsequent events**

Share redemption

Subsequent to year end, the Board of Directors approved a share redemption in the amount of $235 (2024 - $226) out of the $261 (2024 - $252) patronage allocation on December 17, 2025.

Notes

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P.O. Box 1050
401 - 22nd Street East
Saskatoon, Saskatchewan
S7K 3M9 Canada

Phone: 306-244-3311
inquiries@fcl.crs
www.fcl.crs